FINANCIALTIMES

French elections

Last chance to stop Emu

Martin Wolf, Page 16



Car design

Steel industry fights off aluminium



Ireland

A genuine choice in prospect



Today's surveys

Balearic Islands The Business of Football

Pages 11-14; Pages 26-27

World Business Newspaper http://www.FT.com

Banks seek to cut money moved in forex deals

US bank Chase Manhattan and other leading international banks are working to create a financial derivative which they believe could sharply reduce the risk of a payments breakdown in the foreign exchange market. A foreign exchange derivative called a contract for differences would eliminate the need for up to 95 per cent of the \$2,400bn of payments which flow between banks each day to settle foreign exchange deals. Using the contract, the only money to change hands would be the difference in the relative values of the two currencies between the time of the deal and the time of set-

Setback for Northern League: Italy's Northern League, which advocates secession, suffered a big reverse in local elections when voters in the rich northern industrial regions of Lombardy, Piedmont and the Veneto switched to the centre-right opposition alliance headed by former prime minister Silvio Berlusconi. Page 18; Voters give hardliners amounitions, Page 2

Socialists attack Juppé's campaign: French Socialists attacked the cost of prime minister Alain Juppé's latest social plans, while also complaining that he had stolen ideas from them for his general election campaign. Page 2: Martin Wolf, Page 16; Chrétien flings caution to the winds, Page 5

GAN looses higher than expected: State-owned French insurance group GAN reported higher than expected 1996 losses of FFr5.7bn. (\$970m) after a provision of FFr13.8bn to cover exposure to property lending by its banking subsidiaries. The group said it was pursuing plans for the privatisation of its principal

Spielberg runs short of soldlers



1.5

Sec. 13 49 48 18

100

Oscar-winning director Steven Spielberg (left) may transfer part of the production of his film, Saving Private Ryan, from England to the Irish Republic because of a shortage of extras. DreamWorks, the US entertainment group co-founded by Mr Spielberg, wanted to

use 1.000 soldiers or Territorial Army volunteers to re-enact the D Day landings, but the British army said it did not have enough troops available. Page 8

Stolen Citibank bonds surface: Multimillion dollar Citibank bonds stolen in the US 10 years ago surfaced in London when two innocent parties attempted to present them as security. The bonds are part of a cache with a face value of \$112bn (£69bn) taken from a New Jersey wastepaper recycling company.

Nissan Mutual to be probed: Japan's Ministry of Finance launched an investigation into insurance company Nissan Mutual Life, the first life insurance company to fail in Japan since the second world war. Page 6

Yeltsin orders sweeping reforms: Russian president Boris Yeltsin signed sweeping decrees to restructure the country's "natural monopolies" and overhaul its inefficient municipal services. Page 2

Boost for online shopping: Japanese electronics manufacturers Fujitsu, Hitachi and NEC, are setting up a joint venture company that could advance the market for online shopping in Japan by providing a widespread means of certifying the identity of shoppers. Page 19

Indía's new government faces crisis: India's week-old United Front government faces its first political crisis as police announced plans to bring corruption charges against one of the coalition's senior powerbrokers, Laloo Prasad Yaday, chief minister of Bihar. Page 18

Repsol tranche increased: Big demand from small investors for shares in Spanish oil. gas and chemicals group Repsol in the last stage of its privatisation, forced the government to raise the retail tranche by 20 per cent. Page 19

Demon internet offers stake: Demon Internet, the UK's leading independent Internet service provider, with 102,000 subscribers, is offering to sell a stake of up to 49 per cent in exchange for new investment. Page 19

FT.com: the FT web site provides online news. comment and analysis at http://www.FT.com

STOCK MARKET INC	HCES	II GOLD	
New York backtime		New York: Con	
Dow Jones Ind Av 6769.38	(+30.51)	Apr\$339.9	(342.4)
NASDAO Composte1217.40	(+8.11)	l	
Europe and Far East		Londort	
CAC402550.25	(+13.99)	close \$341.15	(342,43)
DAX	(-14.21)		,
FTSE 100 4389.7	(+20.0)	E DOLLAR	
Nikkei18670.37	(+57.51)	New York: kink	antime .
	'	£1.6255	
IL US LUNCHTIME RAT	ES	DM1.7305	
Federal Funds		FFr 5.8335	
3-mith Treas Bills. Yld .5.319%		SF:1.4705	
Long Bond 9353		Y125.755	
Yield 7.135%		London:	
	i	£1.6234	(1.6231)
M OTHER RATES		DM1.7273	(1.7235)
UK: 3-mo Interbank 6\3%	(SOME)	Fir5.8249	(5.82)
HK: 10 yr GR	(9631)	SFr1.4699	
France: 10 yr OAT97-56	(97.67)	Y125.575	(126.08)
Germany: 10 or Rund . 100.43	(100.52)		-
Japan: 10 yr JGB 104.9635 (105.1835)	Takyo ciose:	Y 126.9
NORTH SEA OFL (Arg	nei	# STERLIN	i G
	40 111	DM2804	
Brent Dated \$17.93	(18,11)	UNI2504	(C1314)
		Datasa Dari MC.	feljan (fe/7).
Nac 1 1 2 1 1 2 1 1 2 1 1 1 1 1 1 1 1 1 1		Corpus CX 1.372. Char	الأراشين بحد
	1 1 8		
###{####{ ############################			(DOM: 1975, Material P.140,
			Section 10175
לו התודור און ול שאור וווד וווד ווויד	13 13 1 17 17	THE DAY OF	

Dollar rises despite G7 warning

Markets believe ministers lack will to intervene

By Simon Kuper in London and Gerard Baker in Washington

The dollar pushed higher yesterday as traders decided that the Group of Seven industrialised nations lacked the will and the power to reverse the US currency's rise.

Strategists pointed out that Sunday's G7 statement on exchange rates made no threat of intervention in the market. The dollar closed in London half a pfennig and half a yen above Friday's closing levels, at DM1.728 to the German currency and Y126.6 to the yen.

Analysts forecast that US economic data due out this week would be positive, spurring the dollar higher. The most closely watched figures will be the non-farm payrolls and the average hourly earnings data, due on Friday, as well as today's employment cost index and tomorrow's

US Federal Reserve chairman Alan Greenspan (left) and Bank of England governor Eddie George in Washington yesterday first-quarter gross domestic would fuel the market's belief last weekend that was apparthat the Federal Reserve will raise US interest rates after its Open Market committee meet-

The G7 issued a statement almost 25 per cent against the threat to intervene by selling product figure. Strong results after its Washington summit D-Mark in the last two years. ently intended to stem the rise said "excess volatility and sigof the dollar. The US currency nificant deviations from funda-

On exchange rates, the G7

has jumped more than 50 per mentals are undesirable". Cru- mit in Berlin in February. cent against the yen and cially, however, it made no That communique had also

The Washington statement barely differed from that issued after the last G7 sum-

Against the Yen (V per S)

The problem colleges

failed to halt appreciation of the dollar. The only new element in the Washington statement was a mention of "the importance of avoiding exchange rates that could lead to the reemergence of large external imbalances". Economists took this as a reference to the growing US trade deficit with Japan.

Mr Paul Chertkow, head of global currency research at UBS in London, said the G7's statement was "less aggressive than the market had envisaged". Mr Michael Burke.

Continued on Page 18 Editorial Comment, Page 17 Bonds, Page 28 Currencies, Page 29 World Stocks, Page 40

Murdoch clash with **EchoStar** threatens TV plans

Mr Rupert Murdoch's daring plan to jump into a leading position in the US satellite television market has run into trouble after a clash with his prospective partner, EchoStar. Applications for regulatory approval of News Corporation's planned \$1bn investment in a 50 per cent stake in the established operator have

been delayed, EchoStar said yesterday. The Colorado-based company, which has about 450,000 subscribers, said it was hopeful News Corp would honour its obligations. However, no "there can be no assurance that News Corp will proceed

with an investment in Echo-Star", it added. The companies have clashed over News Corp's insistence that EchoStar abandon its own smart-card and set-ton box system, which allows viewers access to pay-per-view programmes, before it goes

ahead with its investment. Failure to proceed with the partnership could throw the plans into turmoil and leave EchoStar once again looking for a rich partner to fund its

The planned link, which shook the fast-growing US satellite TV industry when it was announced in February, would have given the Murdoch-con-trolled media group the ability to broadcast almost immedi-

Before that, although it was building its ground station in Arizona and preparing for satellite launches, News Corp was not expected to go live

of yesterday's events will be to delay indefinitely implementation of a key clause, due to become effective on May 1, which gives News Corp the right to buy \$200m-worth of EchoStar stock and EchoStar the right to borrow cash Continued on Page 18 includes large parts of the tele-

Steel prices equalise across Europe ances - now costs about DM520 the scale of these increases (\$300) a tonne in the EU and in was masked in 1994 and 1995

By Stefan Wagstyl, Industrial Editor

For the first time since the Second World War the price of sheet steel, a staple industrial raw material, is virtually the same in eastern and western

The price convergence owes something to recent short-term swings in supply and demand within the two regions, but it also reflects the long-term economic transformation of eastern Europe.

Mills there - which under Communism sold metal with little regard for costs or prices - are now as concerned about profit margins as their western

One example is hot-rolled coil. This coiled steel sheet used for car bodies, machinery

and Hungary. Two years ago, hot-rolled

in eastern Europe than the been eroded and I think this is quite important," said Mr

Peter Fish, managing director of Meps (Europe), a Sheffieldbased consultancy. He forecasts that future east European prices will be gov-

erned by those in the EU. Steel sheet prices have been rising in eastern Europe since the region's economies started recovering from recession in the early 1990s.

The increases were fuelled by strong local demand and by the mills' efforts to raise prices housing and electrical appli- to profitable levels. However,

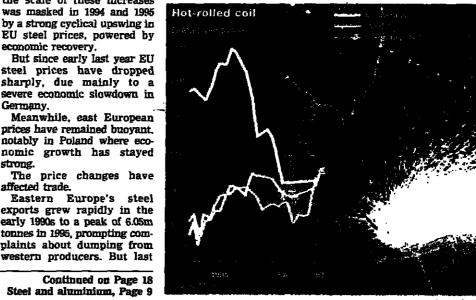
Poland, the Czech Republic by a strong cyclical upswing in EU steel prices, powered by economic recovery.

coil was about DM200 cheaper But since early last year EU steel prices have dropped sharply, due mainly to a Germany.

Meanwhile, east European prices have remained buoyant, notably in Poland where economic growth has stayed

The price changes have affected trade. Eastern Europe's steel exports grew rapidly in the early 1990s to a peak of 6.05m tonnes in 1995, prompting complaints about dumping from

Continued on Page 18 Steel and aluminium, Page 9



SA group leads bid

By Geoff Dyer in São Paulo

A consortium including Anglo American, the South African mining group, is the favourite to buy a controlling stake in Companhia Vale do Rio Doce (CVRD), the world's largest iron ore producer, at an auction launching Latin America's biggest ever privatisation scheduled for today.

However, in spite of assurances from President Fernando that the auction would go ahead as planned, because of more than 100 legal actions

taken out against the privatisation. The National Development Bank (BNDES), which overvesterday to overturn an injunction awarded by a São Paulo judge on Friday suspending the auction on the

tender documents.

The Brazilian government

CVRD at an auction at the Rio

A successful sale of CVRD

would provide a huge boost to

Brazil's ambitious privatisa-

CONTENTS

before next year. The most immediate effect stock exchange for a minimum price of R\$3.3bn (\$3.1bn).

coms and electric energy industries, ports and railways. Analysts believe the Valecon consortium, which is joint-led by Anglo American and Grupo Votorantim, the largest familyowned group in Brazil, will be willing to pay more than the other consortium, led by Companhia Siderurgica Nacional, Brazil's largest steelmaker, because of its strong

"The potential synergies Henrique Cardoso of Brazil, it between Valecon and CVRD was still not certain yesterday are much greater than those with CSN," said Mr Raphael Biderman, analyst at Robert Fleming in São Paulo. However, Ms Isabela Saboya, analyst at Banco Icatu in Río de Janeiro, cautioned: "It is an auction, so anything could sees privatisations, was trying happen." Valecon's other members are Caemi, a Brazilian mining company, two Brazilian pension funds and a group of 11 Japanese steel and tradgrounds of irregularities in the ing companies headed by Nippon Steel

mining interests

The members of the CSN-led plans to sell a 40-45 per cent consortium are Suzano, a Brastake of voting shares in zilian paper and pulp company, Opportunity Asset Mannent, an investment fund four Brazilian pension funds and NationsBank of the US.

Brazilian sell-off, Page 20 Lex, Page 18 World stocks, Page 40

Selegric Islands ...

Foreign Exchanges29

120fon ... 34,35

(JUST £1,000 TURNS FANTASY INTO REALITY). Football Clubs and related making headlines daily. The index of listed MAKE THE SIGNING Football Clubs has risen OF THE SEASON an amazing 598% since 1st January 1993". or our £50 monthly Whether you are a supporter savings plan, you can become a or not you can now share with an investment in in Britain. The Fund invests in complete and return the coupon. **5** 0500 00 11 22 SINGER & FRIEDLANDER

LONDON - LEEDS - PARIS - FRANCFIET - STOCKOROLM - MADISD - MEN TORK - LOS AMSELES - TOKYO - MONG KONG © THE FINANCIAL TIMES LIMITED 1997 No 33,277

President Boris Yeltsin yesterday signed a sheaf of sweeping decrees to restructure Russia's "natural monopolies" and overhaul its inefficient municipal services.

This new burst of economic reform, the most radical since year-end. 1992-1993, aims to inject greater competition in important industries, strengthen public finances and spark growth in an economy which has been dogged by recession since the beginning of the

Mr Boris Nemtsov, first deputy prime minister, is spearheading the reform drive. He said the measures would also help the government run-down infrastructure.

natural monopolies, Mr Nemtsov mooted. vowed to create a competitive leading to reduced tariffs by the

The government would keep control of a 51 per cent share of UES, the big electricity utility, and retain an integrated power grid, he said. But it would seek an additional \$8bn from outside investors to build new power transmission

Mr Nemtsov said the government would also exercise stronger control over the railway network and pay off wages owed to federal Gazprom, the giant gas monopoly ment the industry restructuring.

Outlining plans to reform the pany as had previously been

"We must retain the single syswholesale market for electricity tem of gas supply in Russia, we must strengthen the positions of Gazprom in foreign markets, we must facilitate the growth of the price of Gazprom shares. The richer Gazprom is, the richer Russia is," he said.

However, Mr Nemtsov said competitive tenders would be held for new gas deposits, and wider access would be granted to the pipeline network. Government officials will visit Gazprom's headquarters on May 16 to discuss how to imple-

to turn the Svyazinvest telecommunications holding company into the dominant carrier of international and long-distance telephone

"On the one hand, the government is trying to beat up the gas, electricity and railway industries but on the other, is trying to create a new national telecoms monopoly," said one western banker in Moscow, speculating the government was not strong enough to tackle every entrenched interest simultaneously.

Mr Nemtsov said the government would sell 25 per cent of Svyzzinvest's shares to Russian or foreign

In an apparent departure from investors for at least \$1.2bn and employees and attract new invest-ment to upgrade the country's run-down infrastructure.

In an apparent departure from investors for at least \$1.2bn and its monopolises policy, the govern-ment announced plans yesterday cent to Russian investors. But the terms of the tender suggest wellconnected Russian banks are likely to win control of the company. The other main thrust of eco-

nomic reform will be aimed at slashing housing and utility subsidies, which are a drain on federal and local treasuries. Mr Vyacheslav Basin, chairman

of the federal housing policy committee, said local government was wasting billions a year subsiding inefficient municipal services.

The government would now encourage greater competition in municipal services, introduce energy-saving technology and phase out housing subsidies for the rich.

Socialists attack Juppé social plans

French Socialists yesterday thus cutting it slightly in attacked the cost of Mr Alain Juppė's latest social plans, years. while also complaining the prime minister had stolen some ideas – like adjusting working time to create more jobs - from them.

This inversion of the usual stances taken by the centre- extra, said Mr Dominique right government and left. Strass-Kahn, a former Socialwing opposition indicated ist minister yesterday. Given that, at the start of its second week, the campaign between the mainstream parties is already developing into a battle for the centre of French politics.

In a television interview, Mr Juppé pledged action on several social priorities. However. he still forecast that, if returned to power, the ceptre-right would

Italian voters

ammunition

give hardliners

increase general spending by Voynet, leader of the Greens, "a little less than inflation", real terms, for the next five

The prime minister's promises to extend health bill to help the very poor would cost FFr25bn (\$4bn) his pledge to keep the lid on spending, Mr Juppé "will have to cut elsewhere" Mr I rejoice," said Ms Voynet Strauss-Kahn forecast. Other Socialists accused Mr Juppé of deliberating distorting figures to show that unemployment and taxes had only risen marginally during the past four years of centreright rule.

However, Ms Dominique

who have allied themselves to the Socialists, reacted positively yesterday to Mr Juppé's promise to create an independent committee on "environmental ethics" to insurance, give more aid to consider such issues as the farmers and re-introduce a restarting of the Superphenix nuclear reactor near Lyon. Superphenix, abandoned as a breeder reactor but maintained for research, is a big issue for the Greens. "If election time makes Alain Juppé reconsider, then

> yesterday. Today the coalition of the Gaullist RPR and centreright UDF will issue their manifesto, while Mr Lionel Jospin, Socialist leader, will hold an election strategy session with Mr Robert Hue,



Socialist leader Lionel Jospin (right) on the campaign trail in Blois where he discussed new plans for the town and met the mayor, Jack Lang, former Socialist minister (left)

tary. Mr Jospin explained his ing their approach to eco the conditions for the single to hammer out a programme

for governing together with Socialists in France and

had initially favoured postbut had come round to the party was in power.

aim was to agree on as many nomic and monetary union, currency should be softened election issues as possible the Socialist spokesman in to allow it to start on time. with Mr Hue, but not to try Paris said yesterday. He But Mr Francois Hollande, claimed the German SPD the party spokesman, admitted the discussions were a poning Emu beyond 1999, bit "unreal" because neither Communists general secre- Germany have been discuss- French Socialist view that France and Emu, Page 16

Bruton to break with past as Ireland awaits election call

John Murray Brown on a 'choose-your-government' approach

The centre-left government's outcome in the run-off.

By Robert Graham in Rome

structed Communism (RC), would be enough to overtake the scope of any shake-up in in Milan. the generous pensions system. It is they who have emerged from the elections with their burgaining power enhanced. The RC's perfor- absolute majority. The mesmance has underlined that sage from Mr Bertinotti is the government of Mr that, without RC, the Olive Romano Prodi, the prime minister, can only survive with its support and this Mr Massimo D'Alema, leader means moving away from of the Party of the Demothe centre to the left on a cratic Left (PDS) which is range of issues, not just pen- the dominant coalition part-

Mr Bertinotti has consisket endorsement to the government since it took office last May, Instead he has con- it a real social democrat ditioned the vital votes of his 35 deputies almost on a ling the existence of two case by-case basis.

ing in many of the towns and cities to demonstrate that its votes were indispensable to the Olive Tree the flagship cities of Milan and Turin

voting system, unless a coalition and its candidate for mayor obtains an absolute majority on the first round, there is a run-off. The system enables parties to brought down the govern-

FIVANCIAL TIMES
Published by The Francial Times (Europe)
Grabid Noblempendate 3, 60318 Frankturt am Maim, Germany, Telephone ++59
rol 15s 558, Fax ++49 to 50s 458, Represerted in Franklart by J. Watter Brand,
Withelm J. Brilised, Colin A. Kenarad as
Geschildigher and in London by David
C.M. Bell Chairman, and Alan C. Miller,
Deputy Chairman, The shareholder of the
Transacal Times (Europei Cmish) a Pearsen Overseas Holdings, Lamited, 3 Burlington Gayadens, London, WIX, ILL,
Shareholder of this company is Pearson
ph. registered at the same address
GERMANN:

GERMANN:
Responsible for Advertisany content. Colin
A. Komard, France: Historical International
Verlappenellschaft mbH, Admard-Rosen,
dalil-Strasse Ja, 63263 New Jemburg ISSN
0174-7365. Responsible Editor: Radiard
Lambert, 660 The Fertifical Times Limited. FRANCE:

SWEDEN:

Responsible Publisher: Hugh Carnego 468 618 6088 Printer: AB Kvallstudningen Expressen PO Box 6817, \$-550 ff6. The Figureral Times Limited 1997.

Editor: Richard Lambert, etc The Financial Tunes Limited, Number One Southwark Bridge, London SEI 9HL.

test their strength without necessarily prejudicing the

difficult task of negotiating a In Milan and Turin the satisfactory reform of Italy's impact of the RC fighting pensions and welfare system alone was clear. Without RC. has been complicated by the Olive Tree coalition Sunday's local elections could muster 27 per cent of which involved almost one- the vote in Milan and 35 per The hardliners in Recon- 9 per cent were added, this headed by Mr Fausto Bertin- the rightwing alliance in otti, are determined to limit Turin and to be just behind

In contrast, in cities such

as Ravenna and Siena where RC decided to back the Olive Tree alliance, there was an Tree has no chance in the run-off on May 11. This puts ner, in an awkward position. Over the past year he has tently refused to give a blan- been trying to broaden the appeal of the PDS by moving into the centre and making party. But he risks formalis mutually antagonistic "lefts" RC chose to stand alone in - the PDS and the RC. The

Sunday's first round of vot- strengthening of RC is all the more problematical as he is trying to pilot the parliamentary commission charged with drawing up coalition - most notably in proposals for constitutional reform by the end of June. He can only achieve this Under the local election through a broad deal with the opposition headed by Mr Silvio Berlusconi, former premier, and Mr Bertinotti is

> ment earlier this month by refusing to back the policy of sending troops to Albania. The government survived by relying on the votes of the rightwing opposition. All parties recognised this experience was difficult to repeat without formally seeking a new parliamentary majority which almost certainly would lead to formation of a

opposed to such a deal.

new government. Yesterday Mr Bertinotti called for a clear pact with the government on a policy platform. This was a none too subtle way of indicating the government had to move closer to RC's minimalist view of pension reform and its scepticism of the rush to join the single European currency. Mr Prodi is committed to joining the euro in the first wave of countries, but for his survival he has to rely on Mr Bertinotti. The elections and the horse-trading to forge alli-

ances for the run-off there-

fore increase the likelihood

of an impending government

The campaign literature is published, the advertising space booked and deputies are already working the door-steps. No election has yet been called, but no one in Ireland doubts it will be

Mr John Bruton, the prime January but he is juggling three possible dates before parliament's summer recess and the start of the school holidays - May 23, May 29 and June 6. Under the constitution, he has to allow between three and four weeks for the campaign between dissolving the Dail and election day.

When he does decide, it will be the first time in more than 20 years that the country is offered the choice of two potential governments the current Fine Gael-led coalition of Mr Bruton or a reneat of the 1989-92 Fianna Fail cohabitation with the right-of-centre Progressive In the past, contests have

had a tendency to rest on whether voters were for or against Flanna Fail, the country's largest party reflecting the sterile divisions of Ireland's party politics since partition in 1922. But Mr Bruton is breaking with tradition, indicating he will fight on a joint platform with his coalition partners -Mr Dick Spring's Labour

party and the Democratic

Left of Mr Proinsias de

It is a high risk strategy, given policy differences between the conservative. rural-based Fine Gael and its leftwing partners. Analysts also point out that no incumbent Fine Gael-led govern- this time, Fine Gael would ment has ever been returned for a second term. Equally, numbers of second or third

By Anatol Lleven

later this month.

withdrew support.

week of the licences of two

banks, but have conducted

when the then government

be liquidated or restructured cedures.

in Budapest



Tight race: John Bruton and Bertie Ahern

spend more than one term in opposition.

Polls suggest it will be a tight race, with the populist in the Dublin area, which Fianna Fail, led by Mr Bertie Ahern with Ms Mary Harney's Progressive Democrats (PDs) predicted to win. However, that supposition is based on how voters would use their first preferences under Ireland's multi-seat constituency, single-transferable vote system.

At the last election in 1992, only 20 per cent of the 166 deputies in the Irish parliament or Dail were returned as a result of first prefer-

In theory, Ireland's system preference for a coalition by naming as their second preference a possible partner for their first-preference party. But results are difficult to forecast, particularly as the main parties' traditional links with their rural base are breaking down as people leave the countryside. To be certain of a majority

need to secure significant

where Dacia Felix is based, (\$93m).

suspended the Central as another argument for a tion of the licences, the Cen-

Bank's cancellation last new and comprehensive tral Bank said the two banks

said it would give rulings on of the Central Bank and could not be relied on to ful-

whether the banks were to clearing up bankruptcy pro- fil normal banking func-

The move is a blow to the the courts for almost nine as well as the embryonic pri-

government's plans to clean months. There have been vate one, have been deeply

up the troubled banking sec-reports of international and enmeshed in politics. The tor. The banks, Dacia Fellx domestic rescuers, but these new government alleges that

and Credit Bank, used to be have been mostly little- the troubles of the state

among the largest private known companies and banks, which still hold more

A Romanian court has is seen by western analysts

private banks. The court confusion about the powers

Romanian ruling on licences

banking law removing the had failed to produce credi-

tions.

The issue has been before The state banking system,

thought to have lacked the than three quarters of bank-

no operations since July, funds to mount a rescue. ing assets, are partly due to shareholder of Dacia Felix, is

two parties, as they would from Fine Gael.

According to a recent poll accounts for a third of the electorate, more than 25 per cent were undecided. More strikingly, only 40 per cent of first-time voters said they would vote, underlining a growing disaffection with national politics. The coalition's chances of

forming the next government will turn on Labour's performance. If current polls are anything to go by, Labour is set to lose up to a third of its 32 seats - mostly officials believe such predicallows voters to express a tions are over-gloomy and point out that 22 of Labour's seats last time were won on first preference votes.

The government will doubtless make much of the economic "feel good factor". By calling the election now, Mr Bruton hopes some of the residual glow from last year's successful handling of the EU presidency may rub off on the coalition. He is also expected to exploit any embarrassment arising from Figure Fail has never had to preferences from the other the current tribunal hearing in each constituency."

The decision, by a court in \$200m and in 1995 suffered in the run-up to November's Romania's second city, Cluj, an operating loss of 642bn lei elections,

Announcing the cancella-

ble restructuring plans and

Dacia Felix is reported to their exploitation by the last under arrest for allegedly

have bad debts of some administration for soft loans embezzling around \$160m.

which Mr Charles Haughey. Fianna Fail's former leader, is accused of receiving IEL3m (\$2m) from the owner of a local supermarket chain while he was prime minister in the late 1980s. But with Europe and

into political donations - in

Northern Ireland well down is likely to be fought over

·local issues. In the next few days, the Dail is expected to pass legislation on local government finance - a direct response to calls from farming communities for rural water

rates to be abolished. A unashamedly populist measure, the coalition believes it can use the water issue to exploit divisions between Fianna Fail and the more market-oriented PDs, who have called for water charges to remain.

The government is also hoping it has a vote winner in its recent licensing of rural television transmitters. which pick up British television signals and redirect them to homes in the west of Ireland. This has angered Dublin-based cable companies awarded franchises to

operate in the area. Clearly with so little between the parties in the polls and so many floating voters, the conduct of the campaign will be critical. Independents are also expected to pose a significant challenge to the main parties. If there is one fairly safe prediction it is that the Greens and other independents will increase their representation from six seats.

As Mr P. J. Mara, chief election strategist for Fianna Fail explains: "I keep telling our party officers to rememrate elections this time, one

The state agricultural

bank, Bank Agricola, is

reported to have issued at

least 1.8bn lei in new loans

to state agricultural compa-

nies whose chances of repay-

Earlier this month parlia-

ment passed a law for the

privatisation of state banks

which had been twice rejected by the previous par-

liament. However, potential

buyers are expected to take

Mr Sever Muresan, former

vice-president and chief

a close look at the books.

ing them seem dubious.

EUROPEAN NEWS DIGEST

Dutch want focus on jobs

The Dutch presidency of the European Union yesterday expressed the hope that the need to tackle unemployment would be reflected in the revision of the Maastricht treaty due to be agreed at the Amsterdam summit in June.

Mr Hans van Mierlo, the Dutch foreign minister, said after a meeting in Hamburg yesterday with Mr Klaus Kinkel, his German counterpart, that he detected a growing consensus in favour of an employment paragraph in the inter-governmental conference to update the treaty. However, he said, it remained unclear how effective such a paragraph could be because he expected the text would have to please both supporters of a more active EU approach to Europe's problem of high unemployment and

countries which have been strongly opposed.

He expressed doubts whether conditions would improve after the widely expected victory of the opposition Labourparty in Thursday's UK general election.

Yesterday's talks underlined the unity of Germany and the Netherlands in their enthusiasm for greater integration of the EU. Mr Kinkel stressed the importance of a successful summit in Amsterdam as a prelude to opening negotiations at the end of this year on expanding Peter Norman, Hamburg

Work pact agreed in Spain

Leaders of Spain's main unions and employers' organisations yesterday put their formal signatures to a wide-ranging "job stability agreement", the most significant accord reached between them for more than a decade. They called on the centre-right government to use to push legal changes rapidly through parliament so that the new rules could take effect.

The signatories had to avoid demonstrators from minority unions protesting against the pact, agreed earlier this month after tough negotiations between the General Workers Union, Workers' Commissions, the Spanish Confederation of Business Organisations and the Spanish Confederation of Small and Medium-Sized

The main innovation is a new kind of work contract aimed at increasing the number of stable jobs and limiting the maximum compensation which employees may seek when they are made redundant. The agreement is aimed at overcoming companies' reluctance to engage permanent staff, and reducing the official jobless rate of almost 22 per cent, easily the highest in the European

Iberia under investigation

Spanish competition authorities yesterday began an investigation into allegations of price-fixing on domestic routes by Iberia, the state-owned airline, and its two

eading private-sector competitors. The move came in response to complaints from a consumers' association and regional authorities in the Canary and Balearic Islands after all three companies announced fare increases of at least 10 per cent on almost all their Spanish services and the dropping of some

promotional fares. The increases brought an end to a price war waged since last year between Iberia, the privately owned Air Europa, and Spanair, a joint venture in which SAS is a partner. The two private sector companies, initially founded as charter airlines, have been competing in regular scheduled services since the Spanish market was

deregulated in 1993. The economy ministry's competition unit said the companies were suspected of agreeing to raise fares simultaneously and to bring them into line with each

Karabakh talks get nowhere

The leaders of Armenia and Azerbaijan held peace talks in Istanbul yesterday but falled to make any progress in ending 10 years of fighting over the region of Nagorno-Karahakh. The mountainous enclave is legally nart of Azerbaijan but its majority Armenian population has seized control there. Fighting flared up again last week between Azeri troops and rebel Armenian forces.

The clashes are the worst since a 1994 ceasefire. Turkey, which has backed Azerbaijan by blockading Armenia, sponsored the talks between Armenia's President Levon Ter-Petrosyan and Mr Haydar Alivey, the Azeri leader. Although neither made any statement after the meeting, the Azeri consul in Istanbul, Mr Abbas Hacaloghu, said: "There has not been a change in the views concerning the solution of the problem."

Mr Hacaloğlu said his government wanted a peaceful solution: "We are ready to give the largest possible autonomy to Nagorno-Karabakh." But he warned: "We are determined not to leave Karabakh under Armenian occupation. If necessary, we will fight to the last Azeri to free our land from occupation." John Barham, Ankara

More 'haves' in Hamburg

Ramburg and Brussels boast the highest percentage of Europe's "haves"; France's overseas departments and Spain's Extremadura region have a greater quotient of "have nots". Those are the findings of a survey published yesterday by the European Union's statistical body. Eurostat, which ranked the most and least prosperous

regions of the EU in terms of the incomes of its citizens. According to Eurostat, average income across the EU is around \$18,300. On average, people living in Hamburg and Brussels earned about twice that. Average income in the US is around \$21,750, while the figure for Japan is \$31,640. according to Eurostat.

On the national level, Luxembourg has the EUs the highest average income (\$33,490) while Portugal (\$7,945)

Soccer club chief arrested Italian police said yesterday they had arrested the

chairman of the first division soccer club Vicenza and his predecessor on suspicion of bankruptcy fraud. A finance police statement said Mr Gianni Sacchetto and Mr Pieraldo Dalle Carbonare, whose family owned the club until last September, were among six people arrested on Sunday. Four people, including Mr Sacchetto, Mr Dalle Carbonare and his brother Sebastiano, were being held in jail in Milan. Two others were under house arrest. The detentions followed three months of investigations

linked to the collapse in June 1995 of Trevitex, a financial holding company controlled by the Dalle Carbonare family. The police statement said all six men were suspected of conspiring fraudulently to disperse the assets of Trevitex through front companies, including one allegedly used by Mr Sacchetto to buy a 99.9 percent stake in the Vicenza club.

The statement said investigators believed the company was owned by the Dalle Carbonare family "which pretended to cade control of Vicenza to prevent the club being included in assets subject to receivership procedures".

IMF backs Russia's reforms

Mr Anatoly Chubais, Russia's reformist first deputy prime minister, has won strong backing from the international Monetary Fund and World Bank for the government's latest reform drive.

After meetings with finance ministers from the Group of Seven countries in Washington at the weekend, Mr Chuhais said Russia would join the Paris Club of creditor nations this year and be admitted to the World Trade Organisation by the end of 1998. John Thornhill, Moscou

Rigger 7 area

Partie ::::

1.11 . . .

1. 2.

h

~2m. .

::-

S.

Global watchdogs urged to bark with one voice

By Robert Chote in London and Gerard Baker in Washington

International efforts to promote financial stability in emerging market econo mies are being threatened by possible turf wars among international institutions and regulators.

tral bank governors from the Group of Ten leading indusdefines the respective roles of various international



institutions and urges them not to trespass on each other's territory.

The study concluded that Finance ministers and cen- guidelines to promote financial stability should be drawn up and promoted by the International Accounting Standards Committee, the G10 Committee on Payment

Supervision, the International Organisation of Securities Commissions and the International Association of Insurance Supervisors.

The study - by a committee of representatives from International Monetary industrial countries, emerging markets and international institutions - noted that no organisations were yet developing norms for loan classification, asset valuation and provisioning, the design and use of deposit insurance or good corporate

"Consideration needs to be supervision, securities mar- development banks will norgiven to whether there is a need to develop an international consensus in these and other areas and how it should be done," it said.

The committee urged the Fund to check whether countries were living up to the principles developed by the international groupings. But the IMF was warned not to overstep the mark and draw up its own rules: "In particular, in areas where core principles and norms have been

ket oversight and accounting, the internal guidelines of these multilateral institutions should incorporate these norms as they stand."

Officials said this wording took account of the desire among some staff at the IMF, when the initiative was getting under way, to draw up banking rules themselves. They said the Basie Committee had been conspicuously slow off the mark to play its part.

The study argues that the

mally be the best institutions to offer advice and finance reforms to the financial system. But the committee was also concerned that the financial sector conditions laid down in Bank and IMF programmes were occasignally inconsistent and

counterproductive. "The co-ordination between the IMF and World Bank should take place at all levels, and extend to regular and frequent contact between financial sector and World Bank and the regional country experts in both

clear and efficient procedures for co-ordinating operations and establishing priorities jointly for country operations," it says.

Government representatives were unimpressed by early proposals to improve co-ordination drawn up by IMF and World Bank staff. "The IMF and World Bank should take further steps to define their respective roles and means of co-ordination, both between themselves and with other international organisations," the

committee report concludes. US officials pronounced themselves pleased with the progress towards consensus.

They said the decision to involve the various international financial institutions and regulators had encouraged a healthy degree of competition among them. a factor that had added greater urgency to the delib.

The US hopes the IMF and World Bank would be able to move to approval of the principles outlined in the report

Despite despatch of a special UN envoy the Sahrawis may have to give up independence hopes

Deserted in the 'desert of deserts'

weekend, in the sprawling camps of the Algerian desert where they have lived for 21 years, refugees from neighbouring Western Sahara believed the world had finally remembered them.

Wrapped in brightly coloured shawls amid a blinding sandstorm, the women's voices rose in ululation. Children, thousands of them. in rags and barefoot, raised drawings of doves to symbolise peace, while men in fading army uniforms stood sternly, desperately trying to pretend that they could still fight their arch-enemy Morocco for their cherished Sahara.

Few younger men were to be seen. They are sent to the front as soon as they reach 18, to train for the expected collapse of the United Nations-sponsored ceasefire of 1991.

In the sweltering heat, fighting the wind of sand, a band of old men in longsleeved red jackets played the national anthem of the Sahrawi republic, the dream of a state the Sahrawis have harboured since the 1970s. It is with overwhelming hope that these Sahrawis, cut off from civilisation for decades, welcomed Mr James Baker, the former US secretary of state. Sent as a

between independence and integration with Morocco, Mr Baker ended his fact-finding mission on Sunday in the refugee camps.

"Very tough, although not hopeless," is how he characterised the dispute between Morocco and the Polisario Front, which has led the fight for Sahrawi independence since Spain withdrew from the Sahara in 1976. Morocco, which claims the Sahara as part of its territory, controls most of the

Although Mr Baker may ask the UN to give its mission one more chance, it is clear he is looking for a quick deal and has little intention of spending years shuttling between Rabat, the Polisario camps, and Algiers, their main backer.

Such a deal means putting diplomatic pressure on all fronts to reach a settlement short of independence, since Morocco, a cherished western ally, will never give up the Sahara.

This reality appears to be sinking in with Polisario leaders. But the people, fed endless promises of nationhood, find it intolerable. To

The 150,000 Sahrawis of the camps live in a remote desert world. retary general to try to sal- style organisation has pro- young Sahrawis may not land. But the Polisario lead- There are few countries the vage the faltering UN plan duced an impressive Poli- even know that such a thing for a referendum to choose sario military bureaucracy exists.



Sahrawis wait in a sandstorm for the visit by James Baker, their dream of nationhood vanishing into the sand

which enables the tribal population to survive, by paying particular attention to edu-

But the Polisario has focused development of body and mind almost obsessively on the struggle for independence and has crushed all opposition to its leadership. The camp hospitals are rudimentary but clean, the tents orderly, but there are few signs of economic life and of anything lasting - not even

The Sahrawis live off aid them, Mr Baker is their of about \$10m a year. Most harsh area where they live American saviour. men are soldiers or bureau-"the desert of the desert". crats. The women bear many children to keep the tribes growing and work without pay. Most have not seen a correnc

The young Sahrawis Sahrawis' life in a constantly gather around foreigners temporary state. "Settlement with a sad but playful look, not to beg, but to touch their skin and feel the fabric of their clothes. In one part of oune, the "economy ministhe camp, the women, heads buried over sewing machines, are hard at work, producing national flags. Young artists nearby paint pictures of torture and deliv-

music on an antiquated radio, their only link to the outside world. The Sahrawis call the Not much will grow there, per cent. despite attempts to cultivate onions and carrots. Nor does Algeria want to see the Sah-

erance, listening to Egyptian

is the most dangerous thing, it makes us forget the struggle," said Mr Beshraya Bay-

The Sahrawis believe that, after 20 years, they can last as refugees for decades more. "We either get the Sahara or we will die here," said a tribal chief. But ordinary Sahrawis may not know that the water they use is increasingly contaminated and the aid is shrinking in the face of a population growth of 3 per cent to 5

The Polisario's military gear is old. The soldiers have not fought for years, and are ers also make no secret of Sahrawis can count as the need to maintain the friends. Algiers, Rabat's south-west Algeria

them. But in the past five years it has been fighting its own war against Islamic militants and is now looking to break its international isola-

To the leaders' disappointment. Mr Baker spent just a few hours in the Polisario camps, after two days in Rabat and almost another two in Algiers, in addition to a stop in Nouakchott in Mauritania. "No one will ever decide our fate," insist the Sahrawis. But in one of the signs they put up for Mr Baker lies a reality they cannot escape: "Mr Baker. remember," it read, "big fish against small fish".

Tindouf,

INTERNATIONAL NEWS DIGEST

Ship stands by for Zaire talks

President Nelson Mandela has despatched a South African naval vessel to waters off Zaire as a possible renue for ceasefire talks between President Mobutu Sese Seko and rebel leader Laurent Kabila. African diplomats last night said Mr Mobutu had agreed to attend, and they were awaiting a response from Mr Kabila.

The venue would overcome Mr Mobutu's reluctance to undertake a long journey given his poor health. The news came as Mr Bill Richardson, Washington's ambassador to the UN, arrived in Kinshasa with a personal message from President Bill Clinton to Mr Mobutu. "The US believes there can be no military solution to the crisis, but rather a negotiated settlement leading to an inclusive transitional government and fair and free elections," Mr Richardson said.

He said he would meet Mr Mobutu this morning and then travel to Lubumbashi, in rebel-held territory. tomorrow to see Mr Kabila. Michael Holman, London

Rwandan refugees found

Aid workers have found thousands of Rwandan refugees south of the Zairean city of Kisangani, the largest numbers seen since the refugees fled into the jungle last

"It seems we are talking about 6,000 or 7,000 people but more are emerging from the forest. This is very good news," an official for the UN World Food Programme said

But aid officials said that it was virtually impossible to meet a rebel demand to repatriate all Rwandan refugees within 60 days. About 400,000 refugees remain unaccounted for in Zaire since fleeing at the start of civil

Russian delay on treaty

The Chemical Weapons Convention, which comes into force today, has been ratified by 81 states, including four of the five permanent members of the UN Security Council. But the parliament of the fifth member, Russia, has postponed until autumn a vote on the convention. which bans the development, production and use of chemical weapons. The US administration has said it is 'extremely disappointed".

Russian MPs said the country could not afford to spend 55bn destroying its stockpile of chemical weapons. estimated at 40,000 tonnes. Nevertheless, they predicted ely to ratify the conv

parliament debated the issue again. Edward Mortimer, London, and John Thornhill, Moscou

NEWS: WORLD TRADE

Turkey signs EU reviews Iran options as envoys set to return \$13.5bn deal to import Russian gas

By John Barham in Ankara

Turkey yesterday signed a \$13.5bn deal with Gazprom. the Russian natural gas company, to import gas to help meet its rapidly growing demand for energy. Under the 25-year agreement. Russia will gradually increase exports to Turkey to 30bn cubic metres (cu m) a year by 2010

Mr Recai Kutan, Turkish energy minister, said: "Turkey imports 6bn cu m of natural gas per year from Russia and starting from this year Turkey will begin importing an additional 500m cu m.1

Turkey's natural gas, transported through a single pipe-line via the Balkans. Energy consumption in Turkey is rising by about 10 per cent a year. Mr Kutan said natural gas consumption could rise 25 times to 60bn cu m a year

Mr Kutan said Turkey was using 8bn cu m of natural gas a year, 6bn cu m from Russia and 2bn cu m demand was increasing more

than expected. cities. Demand is also grow- attempts to build a link. has chosen natural gas to ing bids to build its section fuel a new generation of of the line. Mr Kutan, a power stations. Turkey is member of Mr Erbakan's households convert polluting yesterday that Iran has lignite coal-fired central already begun construction

key must expand the pipeline linking the two countries before exports can increase significantly. Turkey signed a memorandum of understanding with Russia last September to raise capacity of the existing Balkan pipeline from 8bn cu m to 14bn cu m. They also agreed to build a new 1,160km pipeline with a capacity of up to 16bn cu m per year through eastern Turkey. However, Gazprom is pushing Turkey to accept a \$3.3bn project to build a

pipeline beneath the Black Turkey is trying to diver-Russia supplies nearly all sify its sources of supply away from Russia, a rival in regional geopolitics. Mr Kutan has complained in the past of falling gas supplies

from Russia in the winter. Turkey has gas import agreements with Iran, Algeria, Nigeria, Qatar. Turkmenistan and Yemen. However, a 23-year, \$23bn natural gas import deal that Mr Necmettin Erbakan, Turkey's Islamist prime minisimported from Algeria as ter, signed with Iran last liquefied natural gas. But year has met strong US opposition.

There is no pipeline Turkey's economy is grow- between the two neighbours ing strongly. Its population and Washington has warned is increasing and moving to it may take action to block ing because the government. Ankara is currently evaluatburning more natural gas as Islamist Refah party, said on its section of the line.

The European Union is set today to order national ambassadors to return to Iran, ending the rupture in diplomatic contacts in the wake of a German court verdict linking the Tehran

regime to terrorism. In an attempt to avoid appearing weak, EU foreign ministers meeting in Luxembourg will consider further measures to reinforce the message that western Europe will not tolerate

sponsorship of terrorism. The measures include restricting visas for Iranian officials, tightening rules on arms sales to Iran, and freez-

By Lionel Barber in Brussels ing government export Iran. This policy has long terday said ministers would, broadly support the French credit insurance. They fall been a sore point in relations at a minimum, agree to send position, which is also influwell short of US demands for economic sanctions against

The most difficult task for the EU was to maintain the unity displayed earlier this month when member states withdrew envoys within hours of the German court verdict, EU diplomats said. The verdict, on April 10,

linked for the first time highranking Iranian officials to the murder of four Kurdish opposition figures in Berlin five years ago. The EU will continue to

suspend its "critical dia-logue", which is designed to put "friendly" pressure on

with the US, which considers it a fig-leaf for preserving co-ordinated fashion so there important trade links with the Islamic state.

In 1995 the EU exported \$11.5bn of goods to Iran. with Germany (\$1.5bn) easily to the fore. France (\$500m). Italy (\$400m) and the UK (\$400m) were also beneficiaries, according to the European Commission.

Iran exported \$17.5bn worth of goods to the EU, chiefly oil and gas. Italy imported \$1.35bn in goods, France \$1.1bn, Germany \$600m, and the UK \$200m over the same period.

European diplomats yes-

back their ambassadors in a was no competition between vey a stiff message to Tehran that the regime had to

mend its ways. But the divisions among the 15 member states are obvious. Britain and Germany are taking the lead in but with mixed results. pushing for something more than words, supported by Denmark, the Netherlands and Sweden.

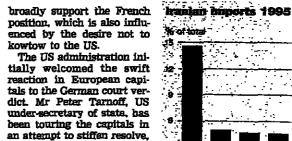
France is more equivocal. emphasising the need to maintain contact with Iran, a key power in the Middle East. Greece and Italy

enced by the desire not to kowtow to the US. The US administration initially welcomed the swift reaction in European capi-

dict. Mr Peter Tarnoff, US been touring the capitals in an attempt to stiffen resolve. Meanwhile, opponents of the Iranian regime are planning a large demonstration

in Luxembourg today to protest against diplomatic and commercial links between the EU and Iran.

"There is a lot of noise about



the need for action, but in An EU diplomat said: the end the economic rela-

Kazakhs stumble on road to competition

Charles Clover hears warning signals that Almaty privatisations are creating conflicts of interest

vatise for the money trying to create competition has always been one that the governments of reforming economies have had to grapple with. In Kazakhstan, many analysts are warning

the struggle has been lost. During the first wave of large-scale privatisation in Kazakhstan, many productive assets - alumina refineries, Iron mines, phosphate plants - were sold or rented to foreign trading companies which used the facilities as a source of cheap materials for their downstream operations in other countries.

Now that the privatisation programme is focused on utilities - the country's electricity grid and gas pipeline system – the Kazakhs appear willing to hive off their natural monopolies to foreign companies in circumstances that some analysts warn are creating a conflict of interests.

The temptation to priwill be granted as a concession to a major supplier - in and to forget about the case of the electric grid, to a supplier of power sta-tions, and in the case of the gas pipeline system, to a potentially big source of gas. The danger of giving control of a utility to its supplier, analysts say, is that it can use its control of this infrastructure to pressure other suppliers, and use control of supply sources to pressure

the utilities' customers.

Earlier this month Asea Brown Boveri, the Swiss/ Swedish engineering group, was awarded a 25-year concession to operate the Kazakh high-voltage grid which transmits 60 per cent of the country's electricity. ABB is also building three 320MW power stations in Kazakhstan, and has plans for many

Two weeks before the concession was awarded, a cient than existing Sovietdecree was issued by Mr Akezhan Kashegeldin, the Kazakh prime minister, twice as expensive because which required the grid of the capital costs of build-In both cases, the utility operator to "buy power in ing the plants.

priority order from Kazakh producers who are building new power stations". "The timing," said one western businessman, "was

a bit odd." . disqualified ABB's competitor, National Grid, a UK is finished, then we try to company which had earlier said it would not buy or sell electricity. It also meant ABB would be buying power from itself first, and marketing it along with electricity from other stations in a

This, some analysts have warned, could mean higher prices for consumers, since there would be little to constrain the distributor if it was, at the same time, one of the main generators.

"pool" arrangement.

ABB believes the combined-cycle plants it is building will mean cheaper power because they are more effibuilt plants. However, others feel the power could be up to

Mr Michael Robertson, a spokesman for ABB, said the company was primarily a supplier of equipment, and did not seek to be a generator. "We only take equity in a power plant in order to be the builder. Once the plant sell it."

Mr Keith Howlett, a senior vice-president at ABB, was quoted in the April 4 issue of Independent Power Report as explaining that the group was interested in the Kazakh grid because "whoever controls the grid system controls who is going to build generation and where".

r Robertson, commenting on Mr **▼ L** Howlett's statement said: "That is a bit blunt. We obviously want to supply the equipment in Kazakhstan - that is what we do. If we have to take on other roles to further that aim then we do that as well." ABB has contracted Veag, the East German electricity grid operator, to run

Kazakhstan's grid. "The whole thing is worrisome from an anti-trust point of view," said a western lawyer. "The point of privatising is to create a

Kazakhs are doing it just to bring in investment." Mr Robertson said, however, that the Kazakh customers would protect themselves through regulation by the anti-monopoly committee, which sets tariffs, and through a clause in the decree which stipulates that power be sold at "a fair mar-

competitive market; the

ket price". recent interview. Mr Victor Khrapunov, the energy minister, was quoted as saying: "We are ready to collaborate with both our own as well as foreign 'money-bags' since at the present it is the only way to make Kazakhstan an

energy-independent state." Meanwhile Bridas, the Argentine oil company, is in exclusive negotiations with investor, are entirely sepathe Kazakh government for rate."

ate the country's natural gas pipeline system.

Again, industry analysts warn of a conflict of interest. Bridas, they point out, is at loggerheads with the government of neighbouring Turkmenistan which has been seeking to revise its contracts with Bridas. Half of the Argentine company's certified 1.5bn barrels of oil and gas reserves are in Turk. menistan. Turkmenistan's gas supplies pass through Kazakhstan on their way to Russia and Europe.

"You think its a coinci-No Kazakh authority dence that they want this would comment. But in a pipeline?" said one westerner involved in the negotiations. "They get control of the valves for Turkmenistan's gas."

However, Mr Malcolm Hurlston, a Bridas representative, said: "Bridas's arrangements with Kazakhstan in connection with gas pipelines, and Turkmenistan as the country's leading

neu

Ø

NEWS: EUROPE

UK banks' unreadiness for Emu virtually rules out early membership

Banking on Britain staying out



for Emu

position on the European single Preparing currency has come from Barclays Bank, which

branches for the coming of ment's final decision form a the euro Mr Andrew Bux-mutually reinforcing mechaton, chairman, said it was not in the bank's interests to have "converted our counters so that they can run on find it hard to argue that dual currencies". Emu was in the UK's best His comments were a economic interest.

sharp contrast to the wait-and-see rhetoric of the Con-tions for Emn in its wholeservative government and the opposition Labour party. Thursday's general election,

One of the on Emu is likely to remain although there are some dif-most reveal- opaque. But Mr Buxton ferences of detail. appears to be in no doubt that Britain will not take Britain's part in European monetary union in 1999.

Moreover, his comments could become a self-fulfilling prophecy because lack of preparation by the largest banks itself constitutes an obstacle to participation. The progress of Emu prepasaid last week it would not The progress of Emu prepa-prepare its UK retail rations and the governnism. If banks are ill-prepared, even the most pro-European commentators would

sale operations - transactions with other banks and Whatever the outcome of financial institutions - are running on full steam. This British government policy is true also of other banks, pared on the wholesale side, left us in droves to join

One UK banker said his bank took a perceptibly dif-ferent line: "Of course, you've got to be ready for wholesale, there can be no question.

"If you go down the line. then you find there are some difficult areas in corporate banking that straddle wholesale and retail. But there is no doubt from our discussion with our customers that we have to provide them with a pretty adequate euro service, whether we are in or out," he said.

A senior UK official admitbanks and companies were better prepared than their UK counterparts and this is directly linked to the certainty of Germany's mem-Britain would be well pre-

about". The answer reflects expectations that Emu will go ahead, but without the

Privately, UK bankers acknowledge they may have a problem if the government decided to join Emm in 1999 after all. One banker closely involved with Emu preparations said: "I have given up worrying about this. I'll just get another job."

Barclays claims it has an emergency procedure that it can invoke at any time. A German banker ridiculed the idea because Emu is not just about payment systems, ted recently that German accounting and dual currency procedures, but also about know-how and training. "This is going to be very risky for the British," he said. "If we hadn't prepared bership of Emu. He said that as much as we had, I think our customers would have

preparations." He said that from the first day, every customer and every local branch would have to have the capability to handle payments in both euros and national denominations.

German banks are spending vast amounts of money to get ready for Emu. Deutsche Bank has budgeted DM400m (\$280m). Much of this goes on training staff in local branches so that they are prepared to face questions from bewildered customers after January 1, 1999.

Some of this investment goes on training customers through a series of workshops throughout the country. These workshops deal with technical aspects and also with strategy.

In Britain, meanwhile, the uncertainty surrounding membership of Emu has left

On the other hand, the

euro could bring advantages.

Mr Jochen Dieckmann, the

Städtetag chief executive.

expects that the greater

transparency it will create in

the EU's single market will

produce a more competitive

environment when tendering

More generally, introduc-

for goods and services.

Bank of England. In its latest report on the practical issues arising from Emu the Bank gave an uncharacteristically blunt warning against complacency.

It said banks ought not to follow the latest fashions in public opinion, and fool themselves into believing the Emu might be postponed. "For planning purposes, the only prudent assumption is that Emu will begin on time," it said.

The Bank also warned that it was easy to underestimate the length of time it might take to change even moderately complex information technology systems, and urged financial institutions to begin work in the next few months, or risk not being ready for Emu.

Wolfgang Münchau



Barclays chairman Andrew Buxton: It is not in the bank's

German towns and cities wake up to euro-consciousness

By Peter Norman in Bonn

euro-paradox. A euro-enthusiast chancellor is confronted with a citizenry that profoundly mistrusts the single currency, and yet the Bonn government's publicity campaign for the euro has been modest to the point of near-invisibility.

So far, Chancellor Helmut Kohl has relied almost entirely on the banks to drum up support for the euro. There are signs, however, that this will change.

Acceptance of the single currency will also depend on the success of Germany's savings bank movement. towns and cities in introducing the euro. It is at the local level that the average citizen comes most into contact with government in a relationship that usually

German local authorities have only recently begun planning for the single currency. Information is in short supply. Local govern—sion of coin-operated ment officials complain of a machines, such as parking lack of clear guidance from meters, and decisions on federal or state authorities. whether to round up or

The sole practical guide to down the prices charged for in Germany supply essential grammes to euros. These the conversion was produced pools, libraries and parking power and waste collection a city budget that is under late last year by the German fines.

Germany is a land of Finance ministry says population's tax bills are likely to remain in D-Marks until 2002

German citizens are unlikely to have to worry about paying tax bills or social security contributions in euros until 2002, despite the determination of Chancellor Helmut Kohl that European monetary union should start on time three years earlier, writes Andrew Fisher in Frankfurt.

The finance ministry said yesterday that, on practical and cost grounds, public authorities would probably not use the euro until 2002. But companies which

intended to draw up accounts and City treasurers will have the needy, they will have to street lights are turned off at tion of the euro in Germany

Shortly afterwards, the

Deutscher Städtetag, a feder-

ation representing 6,400

municipalities, set up a

working group of so-called

avant garde cities to pool

experiences in handling the

The euro poses many chal-

lenges at a local level. They

include the physical conver-

switch from the D-Mark.

carry out business transactions in the new single currency from 1999 would be able to do so. Siemens, the electrical and

electronics group, for example, has sald it will draw up its accounts in euros from 1999. It has also said it would like to be able to pay its taxes in euros as soon as possible. But it recognises that authorities might not be ready for this until national currencies of Emn members are finally replaced by

The ministry said the three-year

that wish to pay taxes in

euros from January 1 1999,

when currencies are locked

irrevocably. However, a Ger-

man cabinet decision yester-

day made clear that town

budgets are generally expec-

ted to be denominated in

D-Marks until 2002 when

euro notes and coins replace

national currencies as legal

accept deal with companies understood by citizens.

to develop mechanisms to ensure that the euro is night.

Already problems are

looming. A shortage of

capacity in German software

houses could make it diffi-

cult for all local authorities

to change their computer

Ludger Sander, the city trea-

surer, estimates that it will

take six months and some

DM1m (\$600,000) to convert

In the capital, Bonn, Mr

programmes in good time.

transition period between Emu's start and the full introduction of enro notes and coins in 2002 would be managed on the basis of "no hindrance, no force". It was giving details of an interim report on Emu preparations drawn up by a

special working party and

approved by the cabinet yesterday. Showing awareness of the high level of German public scepticism towards the euro, the report stressed that monetary union was not a currency reform but a

conversion - "the figures change,

for German citizens would continue to be in D-Marks during the three years when national currencies of Kmu members and the euro (initially an accounting unit) existed in parallel. Since many people would have no contact with the euro until 2002. "they should be able to rely on the fact that public authorities

It said many daily transactions

the value stays the same".

continue to work on the basis of D-Marks".

the start. As well as large corporate dealings, this will also apply to internal accounts of the Bundesbank and capital markets. Companies can denominate shares in euros from 1999. The report left open whether

existing German government debt would be converted into euros from the start of Emu or in 2002, France has already said it will do this, and German banks have been pushing the Bonn government to follow suit.

rechargeable electronic pay- has also warned that double

finance ministry of its strong and Bremen, Bonn is one of

opposition to an extended

six-month handover period

in 2002 when national notes

and coins are due finally to

be replaced by the euro. It

pricing in D-Marks and

euros would be financially

and technically unacceptable

Frankfurt am Main, Cottbus

With Cologne, Münster,

to its members.

However, many big transactions

should provide belated

encouragement for a cash-

less society as local authori-

ties promote the use of

ment cards to cover small

outlays such as tram fares.

Local authorities are

beginning to organise their

lobbying on the euro. The

Städtetag has told the Bonn

western Germany chosen by the Stadtetag to form its euro *avant garde.* Bonn sees itself as a "pilot will be carried out in euros from

six cities in eastern and

city" for the single currency. It has appointed a "euro-coordinator", Mr Bernhard Gehrmann, who is currently conducting a survey of city departments before drawing up a detailed plan on the timing and cost of conver-

However, Mr Gehrmann has found that introducing the euro will be more complex than he expected. His conversion master plan is now likely to be ready for the city authorities in the summer rather than the end

Bonn's objective, according to Mr Gehrmann, is to carry out all changes "in such a way as to meet the needs of local citizens". It sounds a modest enough aim, but success in achieving it could be crucial to overcoming Germany's mis-

of this month as planned.

and pay income support to such pressure that some Flynn calls for employers and

In a speech he intends to make today in The Hague, Mr Flynn will argue that future social legislation future." should come not from governments but through dialogue between the European trade unions and employers.

In his opinion this is the

His call will be welcomed by the European Trade Union Confederation, but is likely to face criticism from some governments.

employers to "make their then European Commission consensus on common legal real views known and to president, Mr Jacques rights for part-time workers, and unions on EU policies."

develop their own initia- Delors. In his speech, Mr tives". Flynn believes it has proved its worth and now has a strategic place in EU social policy development. The so-called social partners system began as a consultative process but has now been transformed into a decision-

> making forum. He will argue today that other Europe-wide professional organisations should be asked to join the dialogue and future consultations should be more flexible, with wider representation. The agreement on unpaid

parental leave was the first tangible development of the union-employer co-operation and Mr Flynn expects more such accords as an alternalogue between the trade tive to passing legally unions and employers - in enforceable directives through member state govboth meet in Brussels - was ernments. Currently, both introduced in 1985 by the sides are trying to reach a

keen to see more voluntary and employers can make deals and framework agreements in areas which have been the responsibility of

He wants to see developments at industry sector level through joint union employer initiatives which could cover cross-industry policy as well as inter-profes sional agreements in specific industries as has happened recently in the cleaning and

to promote and develop the sectoral dialogue, particularly in its negotiating role," he says.

maintain and extend its other important role, which is that of informing and consulting sectoral employers

unions to set their own agenda

tender.

By Robert Taylor, Employment Editor

European Union integration the creation of a Europewide industrial relations system in which trade unions and employers exercise joint ing loudly at our door," he power and responsibility, says. "But a Union without a according to Mr Padraig Flynn, the European social affairs commissioner.

This does not mean creating a "single, harmonised system of industrial relations to replace the way we do things now in different member states", he argues.

But he wants unions and

way the EU should develop will not be complete without so that there can be "a better balance between economic and social objectives". "Monetary union is knockstrong social dimension cannot be a Union worthy of the name, and, without it, the single market and Emu [economic and monetary union] will both face an uncertain

The existing social dia-

which representatives of

member states.

"The Commission is keen

"Equally, we want to

Ministers agree to increased co-operation across Union

Closer links in crime crusade

By Emma Tucker in Luxembourg

European Union justice and home affairs ministers yesterday agreed to step up co-operation in the fight against organised crime in Europe, signalling their recognition that efforts to stem the proliferation in sophisticated, cross-border crime have not gone far

Meeting in Luxembourg. the ministers unanimously adopted a report which warns that efforts to co-ordinate investigations in areas such as money laundering, drug trafficking and terrorism are always one step behind the

The report was drawn up by a group of senior justice, police and customs officials. its 15 guidelines and 30

recommendations will be

"If Europe is to develop areas where it was necessary into an area of freedom, and would have a real police forces effectively - a security, and justice, it impact on effective weakness recently revealed security, and justice, it impact on effective needs to organise itself better, and to provide strategic and tactical responses to the challenge facing it," the report says.

"This requires a political agency, by giving it the right forms of the challenge agency, by giving it the right forms of the challenge agency, by giving it the right forms of the challenge agency, by giving it the right forms of the challenge agency, by giving it the right forms of the challenge agency, by giving it the right forms of the challenge agency, by giving it the right forms of the challenge agency, by giving it the right forms of the challenge agency, by giving it the right forms of the challenge agency, by giving it the right forms of the challenge agency, by giving it the right forms of the challenge agency, by giving it the right forms of the challenge agency, by giving it the right forms of the challenge agency, by giving it the right forms of the challenge agency, by giving it the right forms of the challenge agency agency agency. "This requires a political commitment at the highest

The recommendations include a commitment to Europol staff to be included examine areas where - in a support capacity - in teams of national police and criminal laws would officers. Europol would also have a practical effect on Euro-crime. It calls on the Council of Ministers to investigations. produce concrete proposals . More

by mid-1999. Britain has been at the forefront of resistance to any adopted. the judicial stage, harmonisation of laws in the Closer co-operation with co-operation is weak.

sensitive areas of justice and presented to heads of state home affairs. However, in June, when they meet in Amsterdam to revise the EU Britain would not be opposed to harmonisation in

Other recommendations

to facilitate and support investigations carried out by national police forces and for be allowed to ask national police forces to carry out authorities.

implementation instruments already authorities often fall apart at

countries hoping to join the

The guidelines also stress the importance of member states co-ordinating their in Belgium following the bungled handling of a series of paedophile cases. The report calls for states to set up a single contact point to facilitate haison with others.

In another recommendation, it urges the establishment of a judicial co-operation network to be set up at a judicial European level, permitting the exchange of information between

At the moment, operations effective that are successfully ion of co-ordinated by police the judicial stage, where



Gloom at record levels in Japan

Japanese public disillusionment has risen to record levels, amid growing political and economic unease, according to a survey from the prime minister's office.

Some 55.5 per cent of Japanese now believe the country's future is "bleak".

The level of pessimism is the highest recorded since the annual survey started in 1971. The previous lowest point was reached in 1995. when national morale plummeted after the Kobe earthquake and the deadly gas attacks in Tokyo's subway

The survey, which covered 10.000 people, shows that only 24.4 per cent of the population feels that Japan is "heading in the right direction".

The economic unease exposed by the survey is striking. Japan is emerging from several years of slug-gish growth after the collapse of the 1980s' "bubble" and it recorded the highest level of growth among the Group of Seven leading industrialised countries in the last fiscal year.

Yet in recent months the Japanese media have been dominated by discussions about Japan's national "decline" - a sharp contrast to the mood of national self confidence seen in the country in the 1980s.

The key reason for the gloom, cited by 54 per cent of respondents, is Japan's fiscal deficit.

This has been rising sharply in recent years and has been cited by the government as the key reason for an increase in consumption taxes earlier this month.

Respondents also blamed the general economic situation, the environment, the cost of living and medical care as reasons for their pes-

Concern is also growing that the government will not be able to meet its pensions liabilities, as the number of pensioners increases

And public unease has been fuelled in recent months by banking failures and the collapse last week of Japan's life insurance com-

Confidence in the government is also extremely low, in spite of the recent general elections.

Some 77 per cent of respondents argued that government policies do "not reflect the national will" of the people.

Japanese life group faces probe

By Gillian Tett in Tokyo

The Ministry of Finance vesterday launched an investigation into the Japanese insurance company. Nissan Mutual Life, after it ordered it to suspend business last

The probe will attempt to debts at the group, which sent shock waves through Japan's financial community after becoming the first life insurance company to fail in Japan since the second

case for the Japanese authorities - has been and its assets. fuelled by revelations that Nissan Mutual Life's problems had been known to some of its auditors and government officials for several

Meanwhile, the degree of ascertain the level of bad protection that will be offered to policy holders, remains uncertain. The Ministry of Finance pledged last Friday that all policy holders would be protected. And some government officials are seeking to persuade Market concern about the other life insurers to assume

episode - which marks a test responsibility for Nissan partly reflected a surge in case for the Japanese Mutual Life's commitments bad debts, which totalled

However, it remains unclear Whether this plan will be accepted by the industry, and speculation is rising in parts of the life insurance industry that Nissan Mutual Life's policy holders may be forced to accept lower payments in the future.

After the Ministry of Finance ordered the closure of the group on Friday. Nissan Mutual Life said that it faced a capital deficit of some Y200bn (\$1.6bn). This

bad debts. which totalled Y42.3bn at the end of Sep- ously published accounts tember.

Meanwhile, the company which has assets of Y2,167bn - expected net losses to reach Y52.5bn in the year to

Detailed financial information about the group is not available, since Nissan Mutual Life - like the rest of - has resisted full disclo-

However, some analysts yesterday suggested that the real level of bad debts was

revealed, because the previhad not revealed the degree of financial problems to which the company has now

Ministry of Finance officials yesterday said they had been aware of the company's deteriorating financial position for several years. However, officials argue that Japan's financial institutions they had delayed closing the group since they hoped that its business would

admitted.

Yamaichi to close Milan office, Page 23

investment figures flowed

into the country, reversing previous years of net unre-

corded outflow, according to

figures from the IMF and

on supposedly restricted

imports. An active second-

ary market is operating in

special import privileges for favoured investors; the gov-

ernment's own social organi-

sation, the United Solidarity

and Development Association, routinely imports cars

from neighbouring coun-

tries. Trading companies

bring goods across from

Thailand by truck and from

A key component of this

system is the ability to settle

goon, an Indian broker offers to take kyat (the Burmese

currency) at below the black

provide hard currency to

any bank account world-

business, which relies on the

the Burmese economy, is

risk-free. "I can help people

do business as long as this

government can't get along

Ted Bardacke

Malaysia by boat

wide, even the US.

Much of this is being spent

World Bank

ASIA-PACIFIC NEWS DIGEST

Japanese output **falls by 1.5%**

Japanese industrial production fell by a less than expected 1.5 per cent from February to March and is projected to recover strongly in the following two months because of increased domestic demand, the Ministry of International Trade and Industry said yesterday. This shows output up by 3.1 per cent in the first quarter compared with the previous quarter, or 6.6 per cent ahead of the same period last year.

Output is set to rise 1.9 per cent, month on month, in April and 1.1 per cent in June, bringing the increase in the second quarter to 7.4 per cent compared with the second quarter of last year. The ministry bases its forecast of a continued recovery on the fact that inventories of unsold stocks and materials declined by an unusually large 2.6 per cent from February to March. That means any increase in demand will quickly feed through to higher output, rather than being supplied from

Bond ex-director pleads guilty

Mr Peter Mitchell, a former director of Mr Alan Bond's Bond Corporation, yesterday pleaded guilty to his part in the A\$1bn (US\$775m) Bell Resources fraud in the late-1980s, described as Australia's biggest corporate fraud. Mr Mitchell, now based in the US, pleaded not guilty to conspiring to defraud Bell Resources after it was bought by Bond Corporation in 1988, but pleaded guilty to four counts of acting improperly as a director.

Mr Alan Bond, one of the country's most prominent businessmen in the late-1980s, has pleaded guilty to his part in the fraud, and is serving a jail sentence. Mr Tony Oates, another former Bond Corporation director also charged over the same matter, has been held by Polish authorities, and awaits extradition. Nikki Tait, Sydne

Malaysian politician fined



A prominent Malaysian opposition politician was found guilty yesterday of sedition and spreading false news in a ruling which could mean the loss of his parliamentary seat. Amnesty International, the human rights group, had described the charges against Mr Lim Guan Eng (*pictured left*), youth leader of the Democratic Action party (DAP), the largest opposition party, as politically motivated. He was, fined M\$15,000 (US\$6,000) for violating the Sedition Act and the

ż

ð,

Printing and Publications Act. A fine of more than M\$2,000 disqualifies a person from being an MP. Mr Lim had remarked during a court case in 1995 that a 15-year-old girl, with whom a leading politician was accused of having sex, was being treated like an imprisoned victim because she was kept in police custody for more than a week. The prosecution contended the statement was seditious because it seemed to accuse police of illegally detaining the girl.

No charges were brought against the politician, Mr Rahim Tamby Chik, then a close associate of Dr Mahathir Mohamad, the prime minister, because of what was said to be insufficient evidence. James Kynge, Kuala Lumpur

Suicide of Korean banker

Korea's Hanbo scandal yesterday claimed its first death with the suicide of a senior banker recently questioned about loans to the collapsed steel group. Mr Park Suk-tae, found dead by hanging at his Seoul home. He had recently appeared at a parliamentary committee into alleged government pressure on banks to lend to the Hanbo, which declared bankruptcy in January.

Family members said Mr Park had been depressed since he quit Korea First. Hanbo's main creditor, in March after warning from the Office of Bank Supervision that the bank loans to Hanbo were not backed by sufficient collateral. The scandal has shaken the government of President Kim Young-sam, with 10 politicians and businessmen on trial for corruption. John Burton, Seoul

Burma - the sick man gets sicker

ne day after a prohibition on new US investments in Burma was announced, the heads of several oil companies operating in the country sat down to dinner at one of Rangoon's new luxury hotels. They were salivating - but not because of the succulent lobster on offer that evening.

Instead, they were discussing how to carve up exploration rights held by US companies, rights the US companies will most likely have to give up under the new rules - the climax of a campaign whose most distinguished advocate has been over by companies from Burma's democracy leader. nations with consistent for-Ms Aung San Suu Kvi.

In the absence of the US companies, "it's all there for the taking. No project will tional companies are hardly not be taken up." says an executive with a Malaysian conglomerate.

His comment echoed the opinion of the Burmese business community, and that of the military government. which has said: "Myanmar [Burma] has opened the doors to outside investments and its abundant natural resources will benefit all those who come to invest.

"We can only feel sorry for the US companies, because they will not get a second chance to invest in Myanmar if opportunities are taken

By Nikki Tait in Sydney

lian land tenure.

to end the confusion over Austra-

Howard also said that Aboriginal

representatives would be consulted.

The confusion over Australian

	Tota	d to
	1995-96 \$m	1996-97 \$m
Australia	30:0	40.0
China	5.6	28.7
Dermark	13.3	13.8
Germany	-	15.0
Japan	119.8	792.0
Malaysta	227.2	447.3
Singapore	603.6	1,215.1
Thailand	421.1	1,026.8
UK ,	792.5	1,304.7
US	241.0	582,0
Source: Витпа I	rweetreeni Co	mnission

eign policies.

Yet outside the oil and tourism sectors. internarushing to invest in Burma, scared off by poor infrastruc-ture, a cumbersome dualexchange rate system and the threat of consumer boycotts in the west.

A trickle of Asian and European investment to Fund predicts. replace the potential lost flows from the US is not enough to prevent a sick standing at the end of the economy deteriorating even further. Inflation, tamed over a year ago, is now running at more than 30 per cent and the price of rice has doubled in less than a year. Without a "one-shot"

He said the legislation would be although the High Court ruling did

drawn up in Capberra in "close con- not immediately threaten any farm-

land tenure stems from a High is to ensure that pastoral activities

Aung San Suu Kyi; has long advocated trade sanctions devaluation of the currency economists say what is keepby 99 per cent, coupled with ing the economy moving, structural reforms, economic

growth will fall to 4 per cent (from 6.1 per cent) by the year 2000, the current account deficit will rise 14 per cent, and foreign exchange reserves, now at their lowest since the military junta took office in 1988, will cover just over one month's imports, the International Monetary

Debt service arrears accumulate, with over \$1.5bn outlast fiscal year. Exports have stopped growing, as rice shipments, once expected to be the cornerstone of Burma's export drive, have vir-

tually stopped.

said that native title rights could ject to a pastoral lease. It would that the federal government was not Mr John Howard, Australia's prime exist on land already subject to a toughen the threshold test for pursuing the extinguishment

minister, announced vesterday his pastoral lease - although it also native title claimants and ensure option. "Rural landholders feel

point" native title plan, in an effort rights should take precedence. agement or timber extraction.

About 40 per cent of Australia is

covered by pastoral leases and

because it intimately involves the tions over what activities could be a result the Queensland state gov-

use of state mechanisms". Mr carried out without consulting ernment declined to back Mr

Details of the 10-point plan have

yet to be released. But its broad aim

Aboriginal native title claimants.

and the shelves and showrooms stocked with expensive foreign goods despite an official ban on non-essential imports, is the dual benefits of inflows from the underground economy and smuggling, which US sanctions can do nothing about. With the military signing

ceasefires with ethnic groups operating along Burma's borders, proceeds from gems, jade and heroin which these groups control are now being invested inside Burma, rather than in Thailand, Taiwan and Hong Kong as was previously the case. In fiscal 1995-96, about

Court ruling last December. This can continue on land which is sub- said it was "bitterly disappointed"

day of talks between the prime min-

The United Graziers' Association Aboriginal welfare.

ister and state leaders.

with its own people and the rest of the world," he says. \$442m of hard currency not Local businessmen and accounted for in official

Canberra plan to clarify land title law

conservative Liberal-National gov- stressed that if there was any con- that Aboriginal groups have no betrayed by Mr Howard's decision, ernment would legislate a "10- flict, the pastoral leaseholder's right to negotiate over water man- said Mr Larry Acton, its president. The 10-point plan does not include nity Voice, which claims to reprea blanket extinguishment of native sent about 30,000 Chinese-Australtitle rights on pastoral lease land - tans, yesterday said it was objecting in contrast to the demands of Aus- to the Australian Electoral Commissultation" with state governments er's land tenure, it did raise ques- tralia's powerful farming lobby. As sion about the Pauline Hanson One Nation party. The new party has been formed by Ms Pauline Hanson, Howard's plan yesterday, after a the outspoken independent federal MP who criticises Asian immigration and objects to money spent on

The No1 Survey for World Equity Markets

- On the 28th of January Reuters journalists filed more than 13,000 stories using over 900,000 words around the globe.
- Only significant stories make the daily ranking of the global "top 100" most accessed Reuters stories.
- On the 28th January, the three stories filed by Reuters on the European Larger Company Survey were ranked 74th, 87th and 89th.



•	····		<u> </u>		
ဟဟ		Number of companies	Markes Cap Sbn	Fund Managemen	Self side
د>				Groups	,
шш	UK Larger Company	350	1,415	100	1,740
⊢>	UK Smaller Company	750	115	100	1,224
⊃Œ	Continental European Larger Company	350	2,374	100	2,756
四〇	Global Emerging Market Company	1,200	688	150	1,689
Œω	US Larger Company	500	5.972	150 P	ub. June

The 1997 UK Larger Company survey, published on Tuesday 15th April, is now available for purchase.

If equities are your business, call Tempest on 0171 638 8789 to order your copy

Warning on emission curb costs

By Nikki Tait and agencies

The Australian Bureau of Agricultural and Resource Economics (Abare), the government-owned forecasting agency, yesterday released figures indicating greenhouse gas emission targets being advocated by the US and Europe could cost every A\$9.000 Australian

(US\$7,000) a year by 2020. The analysis also indicated that the per capita cost on Japan could be as high as A\$15,000 (US\$11,700) a year.

The figures were released bours before a visit to Australia by Mr Ryutaro Hashimoto. Japan's prime minister. Australia's prime minister. Mr John Howard. confirmed that he planned to raise the emissions issue in

talks with Mr Hashimoto. "The considerations around climate change impose one of the more sigpificant medium-term eco nomic threats this country has faced for a long time." Mr Howard said.

According to Abare, the Australian estimate is based on the target agreed in Rio de Janeiro of reducing carbon dioxide emissions to 10 per cent below 1990 levels by the year 2020. Australia has argued that the costs of such an emission abatement programme would fall unevenly on different countries.

"Abare estimates that uniform abatement targets will impose significant costs on Australian industry, leading to a loss in competitiveness in key areas such as nonferrous metals (principally aluminium) and iron and steel products," said Mr Brian Fisher, Abare's execu-

INTERNATIONAL ECONOMIC INDICATORS: BALANCE OF PAYMENTS

Trade figures are given in billions of European currency units (Ecu). The Ecu exchange rate shows the number of national currency units per Ecu. The nominal effectives

exchange rate is	an index w	Mzn 1985=	100.									-			-
	E UN	ITEP	STAT	ES		I JAP	AN				E GER	WANY	7		
(Exporta	Visibir Itacis Italiance	Correct account belance	Ebu gach rate	Effective éxch réfin	Emports	Vieible trade belance	Current account belance	Ecu ecchange rate	Effective constant(s) rate	Esparia	Visible trade belence	Current account halopce	Čes exchange rate	(Sincting (Fichings (rate
1986	231.0	-140.6	-153.4	0.9836	81.4	208.9	94.2	87.2	165.11	127.7	248.5	53.5	41.8	2.1279	108.6
1987	220.2	-131.8	-144.1	1.1541	71.9	194.7	83.7	75.5	166.58	138.8	254.4	56.8	40.6	2.0710	114.9
1988	272.5	~100.2	-107.4	1.1833	67.0	218.7	79.8	67.0	151.51	153.7	272.6	61.4	42.4	2.0739	114.1
1989	330.2	-99.3	-94.3	1.1017	70.0	245.5	70.6	53.4	151.87	147.0	310.1	65.1	51.5	2.0681	113.3
1990	0.208	-79.3	-72.7	1,2745	66.7	223.0	50.0	28.5	183.94	132.5	324.6	51.8	38.3	2.0537	118.1
1991	340.5	-53.5	-6.0	1.2391	65.7	249.4	77.7	57.4	168.44	143.7	327.6	11.1	-14.6	2.0480	117.1
1992	345.9	-65,2	-47.5	1,2957	64,4	256.6	95.2	86.7	164.05	150.7	330.9	16.8	-15.0	2.0187	120.6
1993	397.3	-98.7	-85.4	1.1705	66.3	300.3	118.6	112.4	130.31	181.0	325.2	30.6	-12.1	1.9337	125.3
1994	432.3	-127.0	-125 <i>.2</i>	1,1857	65.1	325.0	121.7	110.5	120.99	194.9	360.3	37.5	-17.8	1.9198	125.6
1995	452.3	-122.8	-114.6	1,2928	61.2	331.1	101.3	85.3	121.43	204.8	404.4	45.9	~ 18.3	1.8509	132.1
1996	498.6	-133,1	-131.8	1,2526	64.4	319.8	66.6	52.6	136.24	177.7	416.4	52.2	-11.7	1.8844	128.6
1st qtr.1996	121.3	-30,9	-28.1	1.2570	63.7	79.1	17.7	13.4	132.92	182.0	103.0	11.6	-0.8	1.8455	130.6
2nd qtr.1996	126.2	-33.0	-32.8	1.2362	64.6	81.7	16.3	12.9	132.90	180.8	101.6	11.5	-2.7	1.8821	128.2
3rd qtr.1996	122.3	-36.6	-37.9	1,2613	64.4	78.7	15.7	13.2	137.43	176.9	104.8	14.5	-6.7	1.8884	128.7
4th qtr.1996	128.8	-32.6	-33.0	1.2557	65.0	80.4	17.0	13.1	141.72	171,2	107.0	14,5	-1.5	1.9217	127.0
March 1995	41.0	-9.9	n.a.	1.2541	63.8	26.2	7.2	5.1	132.84	181.9	34.4	4.0	1.1	1.8528	130.1
April	41.6	-10.6	n.a.	1.2421	64.3	26.7	3.9	3.5	133.12	180.7	34.2	4.3	-0.7	1.8715	129.0
May	42.8	-11.8	n.a.	1.2282	64.6	28.5	6.0	4.8	130.67	183.1	33.B	4.3	-1.6	1.8826	127.7
June	41.9	-10.5	n.a.	1.2383	64.8	26.8	6.3	4.6	134.91	178.2	33.6	3.0	-0.4	1.8921	127.8
July	40.0	-12.5	n.a.	1.2563	64.6	26 7	4.6	4.3	137.21	176,8	35.4	5.5	-32	1.8888	128.5
August	41.3	-11.4	n.a.	1,2688	64.1	26.6	6.2	5.1	135,84	178.2	34.6	4.4	-32	1.8808	129.2
September	41.0	-12.7	n.a.	1.2587	64.7	25.4	4.9	28	138.24	175,7	34.8	4.6	-0.3	1.8957	128.3
October	43.0	-10.2	n.a.	1.2538	65.0	27.1	5.5	4,4	140.92	172,2	35.5	4,9	-1.2	1.9157	127.3
November	43.0	-10.1	n.a.	1.2706	64.4	27.1	6.7	4.7	142.64	171.3	35.8	5.1	0.1	1.9207	127.3
December	42.8	-12.3	па	1,2428	65.5	26.2	4.8	4.1	141.59	170.2	35,7	4.6	-0.5	1.9288	126.2
January 1997	43.1	-14.5	na.	1.2105	65.7	28.4	5.9	5.6	142.63	166,5	34.6	3,3	-4.8	1.9414	125.3
February	47.3	-13.6	л.а.	1.1587	68.9	27.5	4.1	4,1	142.52	162.3				1.9412	124.5
İ	FR.	ANCE				II ITAL	Y					ED K	INGDO	MC	

January 1997 February	43.1 47.3	-14.5 -13.6	n.a.	1.2105	65.7 68.9	28.4 27.5	5.9 4.1	5.6 4.1	142.63 142.52	166.5 162.3	35,7 34.6	4.6 3.3		1.9288 1.9414 1.9412	126.1 125.1 124.1
ĺ	■ FR	ANCE				ITA!	LY				₩ UNI	TED K	UNG D	OM	
	Exports	Visible trade belance	Corrent account balance	€21 4113:359 1214:	Efective expl. rate	Sports	Visible tysie bekince	Current missount facience	Ecu extremps min	Ethective exchange rate	Equats	Visible trade betance	Correct account belance	Ecer conclusage rate	Rifective eachange rate
1986	127.1	0.0	3.0	6.7946	102,7	99.4	-2.5	-1.4	1461.6	101.4	108.3	-14.2	-1.3	0.6708	91.1
1987	128.3	-4.6	-3.7	6.9265	102.7	101.0	-7.7	-2.1	1494.3	τ 0 1.1	1123	-16.4	-6.8	0.7047	89.3
1988	141.9	-4.7	-3.4		100.6	108.3	-8.9	-B.0	1536.8	97,7	120.9	-32.3	-24.8	0.6643	94.7
1989	162.9	-6.3	-3.6		99.6	127.8	-11.3	-17.0	1509.2	98.6	137.0	-36.7	-33.3	0.6728	91.8
1990 1991	170.1 175.4	-7.2	-7.2 -4.9	6.9202	103.8	133.6	-9.3	-18.0	1523.2	100.1	142.3	-26.3	-26.2	0.7150	89.8
1991	182.5	-4.2 4.5	-4.9 2.9	6.9643 6.8420	102.1 105.4	137.0 137.9	-10.5 -8.0	-17.7 -21.5	1531.3 1591.5	98.7	147.7	-14.7	-11.4	0.7002	90.5
1993	179.6	13.3	8.0	6.6281	109.1	144.9	18.1	-21.5 9.7	1836.7	95.6	145.9	-17.8	-13,8	0.7359	87.1
1994	198.8	12.9	5.4	6.5659	170.1	161,4	18.8	13.7	1908.6	80.5 77,0	156.0 174.1	-17.3	-13.6	0.7780	79.9
1995	222.1	15.9	10.9	6.4460	113.4	178.6	21.7	20.1	2106.4	69,4	185.9	-14.0	-3.1	0.7736	80.1
1996	230.5	17.7	16.8	6.4068	113.3	198.5	35.3	21.0	1932.1	75.8	206.9	-14,1	-4.6	0.8190	76.2
{ 											200.9	-15.2	-0.0	0.8026	77.5
1st qtr.1996	58.0	4.7	6.1	6.3281	113.9	47.6	4.9	-1.2	1976.7	73.2	49.6	-4.5	-1.6	0.8208	75.0
2nd atr.1996 3rd atr.1996	56.2 58.2	3.8	2.7	6.3772	313.4	51,4	9.8	10.7	1922.3	75,9	51 <i>.2</i>	-3.7	0.9	0.8113	76.1
		5.1	3.7	5.4242	113.2	47.4	11.3	8.8	1918.4	76.7	51.4	-3.6	-0.4	0.8113	76.8
4th qtr.1996	58.1	4.1	4.3	6.4976	112.5	52.3	9.4	2.8	1911.2	77.6	54,9	-3.4	1.1	0.7670	82.1
March 1996	19.9	1.8	1.9	6.3434	113.7	17,8	2.7	-1.3	1959.1	74.0	15.7	-1.3	n.a.	0.8212	75.0
April	18.4	0.5	0.6	5.3489	113.9	16.2	2.3	2.4	1944.9	74.8	16.8	-1.5	n.a.	0.8201	75.0 75.2
May	19.3	1.8	0.9	6.3707	113.3	18.1	3.9	4.0	1912.2	76 <i>2</i>	17.3	-1.1	n.a.	0.8106	76.0
June	18.5	1.5	1,2	6.4121	113.0	17.1	3.7	4.3	1909.8	76.8	17.1	-1.1	n.a.	0.8031	77.2
July	19.1	1.6	-0.6	6.3965	113.7	19.7	6.3	2.7	1918.1	76 G	17.3	-1.4	n.a.	0.8065	77.0
August	19.6	2.1	1.6	6.4231	113.2	11.9	3.5	5.4	1923.8	76.4	16.9	-0.8	n.a.	0.8185	76.1
September	19.5	1.4	2.7	6.4532	112.8	15.7	1.5	0.7	1913.2	77.0	17,3	-1.4	n.a.	0.8070	77,4
October	19.7	1.8	1.8	6.4770	1128	19.1	4.0	1.3	1911.4	77.5	18.2	-0.9	n.a.	0.7904	79.4
November	18.6	1.0	1.0	6.5001	112.6	17.1	3.0	1.6	1922.6	77.2	18.0	-1.3	n.a.	0.7642	82.6
December	19.7	1.3	1.6	6.5156	111.9	16.1	2.4	-0.1	1899.5	78.1	18.7	-1.1	n.a.	0.7485	84.4
January 1997	19.1	1.8	3.2	6.5512	111.2	14.3	0.9	-3.9	1896.7	78.2	19.7	-0.7	n.e.	0.7298	86.2
February				6.5639	110.6			-1.3	1918.8	.76.8	19.9	-1.1	n.a.	0.7132	67.5

Due to the introduction of the single mathet, EU countries are currently changing to a new system of completing trade statistics. All trade figures are seasonally adjusted, except for the liabilar series and this German current account. Imports can be derived by subtracting the visible balance from exports. Export and import data are calculated on the FOB (free on board) basis, except for German and fisials imports which use the ECF method finally drings, insurance and beight charges; German data up to and including June 1990, shown in liabiles, refer to the former West German. The normal effective exchange rates are period averages of Bank of England trade-weighted indices. Data supplied by Datastriam and WEFA from national government and central bank sources.

NEWS: THE AMERICAS

Chrétien flings caution to the winds

Canada's PM may have called early poll in a bid to seize Quebec initiative, says Bernard Simon

r Jean Chrétien, Cana-da's prime minister, has seldom favoured risky gambles during his long political career. Caution has been the watchword of his Liberal government's 8% years in office, with the prime minister generally preferring to follow rather than lead public

However, Mr Chrétien brushed aside words of caution from his own supporters by pressing ahead at the weekend with plans for an early general election on June 2. Although the Liberals are clear favourites to win a second term in office, it is hard to find a party loyalist or an opinion pollster who believes they will match, much less exceed, the 177 seats (out of 295)

they won in 1993. Some nervous Liberals even predict a minority government, an 21st century." outcome that would almost certainly raise questions about Mr Chretien's own grip on the party

As the campaign began in earnest yesterday, the Progressive Conservatives - who were left with only two MPs after the 1993 election - were confident of wresting at least a dozen seats from the Liberals in Ontario and a handful in the four Atlantic provinces.

The social democrat New Demo-

in against

By Scott Morrison

emergency personnel are

furiously erecting dykes to

protect portions of Winnipeg

from an onslaught of flood

water lapping at the city's

A 15-mile emergency dyke

south of the city of 700,000 people was expected to be

Three million sandbags

be in place by the time flood

flow devastated the city, levels.

waters crest this weekend.

in Vancouver

rising floods

Winnipeg digs

Canadian federal troops and and, at its peak, the flood

completed yesterday and dently predict the city will

workers have begun building be spared the brunt of the a second earthen wall flood by a 29-mile floodway

behind it in case the first and an extensive system of

have already been stacked Grand Forks," said Mrs

and an estimated 9m should Yvette Cenerini Turner, a

a winter of heavy snowfall cial premier who had it

an estimated 17,000 people but estimates suggest this

cratic party, currently with nine MPs, hopes to gain support among voters dissatisfied with the Liber-als' embrace of deficit-cutting, deregulation and North American

free trade. The Liberals also face opposition from the right-of-centre Reform party, which won 52 seats in 1993 and remains a force in western Canada, especially Alberta and

British Columbia. But the real battleground, in terms of Canada's long-term stabil-

ity, will be in Quebec. Mr Chrétien insisted when he called the election on Sunday that he needed a fresh mandate. "We have managed to do most of the work we set out to do." he said. "The time has come to offer real choice about what kind of society we want to have in Canada for the

However, there is no obviously pressing issue before the electorate. Liberal strategists have struggled for months to come up with new ideas for a campaign platform. Political observers suspect that

one of Mr Chrétien's main reasons for going to the country now is an issue the Liberals will seek to mention as seldom as possible over the next five weeks, namely, Quebec's place in Canada. National unity has been on the

damage. The river has

spread across a 25-mile-wide

swathe of southern Manitoba

will cover 1,000 square miles.

growing worried by the ris-

ing waters, which could

cause damage across the

province in excess of C\$100m

(US\$70m), said one Winnipeg

Officials, however, confi-

"We're not going to be like

The floodway, known as,

insurance broker.

Winnipeg residents are

resolved a long-standing Quebec demand by signing a deal to transfer jurisdiction for labour training

so the theory in Ottawa goes, Mr Chrétien would be in a stronger position to seize the initiative on in Ottawa. Quebec in consultation with premiers of the other nine provinces. Mr Lucien Bouchard, Quebec's premier, has up to now been preoccupied with economic issues, especially public spending cuts to meet his target of eliminating the prov-

ince's budget deficit by 2000. For Mr Bouchard, putting the economy on a sounder footing is not an end in itself, but a prelude to revving up the engines of the separatist movement again. He is widely expected to call a provincial election next year, and an independence referendum to follow in 1999

or 2000. The Bloc Québécois (BQ), which represents the separatist cause in the federal parliament, won 54 out of 75 Quebec seats in 1993, the most of any opposition party.

A similar or better showing on June 2 would help Mr Bouchard kick-start the drive towards the next referendum. Mr Gilles Duceppe, BQ leader, said on Sunday: "The fight for sovereignty is being pursued in [this] campaign.

The separatists have taken the credit for Mr Chrétien's conciliatory moves towards Quebec. The BQ's campaign slogan - "The Bloc With the election out of the way, is there for you" - is designed to

persuade Québécois they are best served by a strong nationalist force

The BQ would be especially pleased if its candidate, a former provincial cabinet minister, could topple Mr Chrétien in St-Maurice eastern Quebec.

But Québécois, who have a reputation as Canada's canniest voters, may have a surprise in store for the BQ. According to a Canadian Broadcasting Corporation opinion poll due to be aired last night, the BQ has lost significant ground in recent weeks, mainly to the Conservatives.

The poll gives the BQ 35 per cent of the decided vote, compared with 37 per cent for the Liberals and 25 per cent for the Tories. Mr Jean Charest, the Tory leader, earned far higher approval ratings than either Mr Chrétien or Mr Duceppe.

The risk for the federalist camp is that anti-separatist votes will be split between Tories and Liberals, allowing BQ candidates to slip in with less than 50 per cent of the vote. The BQ captured about a dozen seats in this way in 1993.

Nevertheless, a strong showing by federalist forces in Quebec could vindicate Mr Chrétien's decision to call an early election - even et the expense of Liberal seats elsewhere in the country.

AMERICAN NEWS DIGEST

Bomb wounds Bogotá leader

The vice-president of Colombia's House of Representatives was wounded in a car bomb explosion yesterday which killed one of his bodyguards. The explosion came from a car parked on the roadside in the eastern Colombian state of Arauca and was

detonated by remote control, radio stations reported. Mr Julio Enrique Acosta went to hospital with neck and leg wounds, according to the reports, but the seriousness of the injuries was not known. He is a member of President Ernesto Samper's Liberal party.

There was no immediate claim of responsibility for the blast. The rebel National Liberation Army is very strong in the region, where it has kidnapped mayors and intimidated regional political leaders.

The explosion occurred as Mr Acosta was on the way to the airport, and killed a bodyguard employed by the national security agency, DAS, police said. They said Mr Acosta and another bodyguard, who was also hurt, were taken to the Arauca General Hospital.

Advertising ban stands

The US Supreme Court yesterday rejected a constitutional free-speech challenge to a ban on billboards that advertise cigarettes or alcoholic beverages in many public places frequented by children.

The court's decision on the ban in Baltimore came just three days after a federal judge in North Carolina ruled that the US Food and Drug Administration can regulate sales and labelling of cigarettes but has no authority over

advertising.

The decision to let stand the Baltimore ban was taken without any comment or dissent from the justices and does not create a nationwide precedent. But it could encourage other cities to adopt similar measures.

The Baltimore cases, involving two ordinances adopted in 1994 in an effort to reduce illegal smoking and drinking by minors, had been closely watched by the tobacco, advertising and alcoholic beverage industries. The North Carolina judge never reached the

constitutional free-speech question, ruling only on the more narrow issue that the FDA lacked the authority under the law to adopt the federal restrictions on advertising of cigarettes.

The Baltimore laws were challenged by Anheuser-Busch, the nation's largest brewer, and by Penn Advertising of Baltimore, which has a number of billboards in the city. Reuter, Washington

Lima firm over siege ending

Peru sought yesterday to capitalise on its successful military strike against Marxist rebei hostage-takers and quash lingering criticism of human rights abuses in the raid and its aftermath.

"Everyone has applauded the government's decision and the way 72 people were rescued so cleanly and professionally," the justice minister, Mr Carlos Hermoza Moya, said. "We must not question the ever-so-clean and so beautiful way in which our men [soldiers] have given up their lives. . . to save the highly valuable lives of 72 hostages." Despite the subsequent death of one captive, the government claims the rescue achieved its goal because all were freed alive. All 14 hostage-takers died.

Mr Hermoza was the latest in a line of officials. including President Alberto Fuilmori, to relect claims that two rebels were captured and executed during the raid and that families were kept from their bodies afterwards.

Those reports have threatened to tarnish the acclaim Peru has received from around the world for a military strike halled as a great rescue operation. Reuter, Lima

Internet 'terror threat'

The threat of terrorism is likely to increase in the US as the Internet provides easier access to information on making bombs, the defence secretary, Mr William Cohen, said vesterday.

"It's a real threat," Mr Cohen said at a forum on terrorism held at the University of Georgia. "We are going to see information continue to spread as to how these weapons can be manufactured in a homegrown

He said terrorist attacks such as the bombing of the World Trade Centre in New York City and the Oklahoma City federal building illustrated a growing threat. "It's likely to intensify in the years to come as more and more groups have access to this kind of information," he said. He said precautions against unconventional arms must be intensified as potential terrorists developed chemical weapons, germ warfare and electromagnetic methods that could create holes in the ozone layer or trigger

earthquakes or volcanoes. There also has been speculation that scientists could develop ethnic-specific pathogens "so that they could just eliminate certain ethnic groups". Reuter, Athens, Georgia

Libyan immunity upheld

The US Supreme Court yesterday let stand a ruling that Libya has sovereign immunity shielding it from a lawsuit filed on behalf of a victim killed in the bombing of Pan Am Flight 103 over Lockerbie, Scotland.

The civil case was brought by Mr Bruce Smith, whose wife, Ingrid, was among the 259 people killed when a bomb exploded in a suitcase on board the aircraft on December 21 1988. Eleven people on the ground also died.

The lawsuit alleged that Libya was behind the bombing and charged that two Libyan agents carried out the attack. It named Libya, the Libyan Security Organisation and Libyan Arab Airlines, as well as the two Libyans.

A US Court of Appeals in New York in November upheld a federal judge's ruling dismissing the lawsuit against Libya for lack of jurisdiction. It said Libya enjoyed immunity under the foreign sovereign immunities law.

Before the appeals court, US government lawyers expressed concern about the foreign policy implications of letting the suit go forward, saying the US could be placed at greater risk in foreign courts. Reuter, Washington



Chrétien: gamble

backburner since Quebec secessionists narrowly lost an independence referendum in October 1995. Mr Chrétien has sought to spike the separatists' guns with a series of relatively low profile moves to show Québécois that Ottawa can respond to their concerns, without provoking accusations of special treatment for Quebec in the rest of

the country.

Last week, for instance, Ottawa



Winnipeg emergency official. A Canadian air force helicopter evacuates Adrian Bouchard from his Manitoba farm home at the weekend

Czech, a provincial emer-

has swollen the Red River in built, withstood the so-called southern Manitoba, forcing flood of the century in 1979, gency official Parts of the city to the out of their homes already. year's surge will rise higher. Over 50,000 people filed The Red River was expected south of the floodway and homes located along the Grand Forks, North Dakota, to crest at Winnipeg on May river were still at risk. Hunlast week as Red River over- 5 some 17 feet above normal gency personnel have been

working alongside 3,000 fed-

floodwayl," said Mr Joe The province has requested Many dykes built around 7,000 more troops to help individual farms have failed

with preparations. worried that high winds ves- locals. tecting southern Winnipeg

to resist the water, now Emergency officials were being called the Red Sea by in the valley.

terday might whip up the Roughly 2-3 per cent of ministry said the outcome inland sea of water and send Canada's wheat crop is depended largely on whether

and eight other communities Wheat Board data. A board

delay planting in the region, but it was not yet clear how the flood would affect output The provincial agriculture

dreds of provincial emer- it pounding into dykes pro- grown in the Red River Val- rain would hold off to allow ley, according to Canadian the region to dry within a

US new homes sales for Trade gap with US put March remain buoyant

"This is bigger than '79, so

Sales of new US homes ant, helped by strong job lysts had calculated earlier. dipped slightly last month, growth and income gains the Commerce Department that have enabled more buysaid yesterday, but remained at a sturdy level as sales at higher rates. rates from December to February were revised upwards. Reuter reports from Wash-

Sales fell 2.5 per cent last adjusted annual rate of 813,000 units after a revised 1.1 per cent gain in February to 834,000 units - the strongest sales pace since 857,000 in April 1986. Previously, the department said sales had fallen by 0.7 per cent in February to a rate of 811,000, instead of rising.

Wall Street economists had forecast that March sales would slip to a rate of 794,000, partly because higher interest rates and bad weather were expected to hit

But housing remains buoy- economic growth than ana- lived-in homes in March.

ers to qualify for loans, even

The Federal Home Loan Mortgage Corporation said that rates for a 30-year mortgage loan averaged 7.90 per cent in March, up from 7.65 month to a seasonally per cent in February and 7.62 per cent in March 1996. Analysts say the ready availability of credit, especially low, introductory-rate

> market. sales from December through February was an on the market. indication that the newhome side of housing began the year with more momentum than previously esti-

mated and added more to

adjustable mortgages, also

Sales of new homes in March were running at a

that were completed and ready for sale kept shrinking in March, creating more opportunity for builders to keep construction going as well as putting a floor under

There were 297,000 houses helped sustain the housing for sale across the country in March, down from 307,000 in The Commerce Depart- February. It was the smallment's upward revision of est inventory of available its estimates of monthly new homes since April 1994, when there were also 297,000

brisk 14.3 per cent above a year earlier, when they were selling at a rate of 711,000 a-Inventories of new homes

Housing demand is expected to level off gradually as the year wears on. There were signs of it last week in weaker sales of previously-

on Caribbean agenda

By Canute James in Kingston

Caribbean leaders who will meet US President Bill Clinton in Barbados at the end of next week have agreed to raise several "related" economic and political matters. including the region's widening trade deficit with the US, according to officials from several regional gov-

ministers and their advisers have had a series of meetings over the past four weeks to refine the agenda for the summit on May 10. Several of the meetings have been attended by officials from the White House. The Barbados meeting will follow by three days a meeting between Mr Clinton and Central American leaders. Caribbean leaders are con-

trade deficit, said by the a preliminary WTO panel Caribbean Community sec-ruling against the EU prefretariat to be about \$3hn a erences is unheld. year, despite a US preferential trade programme for the region. The effect of the wid-

ening deficit has been com-

pounded by a steady decline

US is concerned about narcotics

Caribbean government in official aid from the US envernment, moving from \$226m in 1985 to \$55m last yênr.

The US complaint to the World Trade Organisation about the EU's preferences for bananas will also be raised in the summit, the official said. Several smaller Caribbean countries, mainly in the Windward Islands group, are heavily depen-dent on the EU market, and cerned about the growing will be adversely affected if

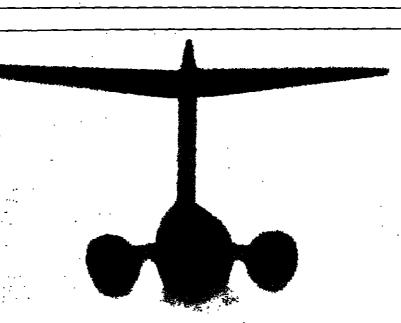
"The US is concerned

about the movement of narcotic through the region from South America to North America," said one official. "We are also concerned about this, and this will also be discussed during the summit." The region is seeking help

in fighting the flow of narcotics. Jamaica and Barbados are negotiating aspects of a treaty already agreed by the US and several other. countries, allowing access to territorial waters and airspace for US law enforcement agents who are pursing suspected traffickers.

All these issues are related, said the official. "Generally, the region is seeking increased financial flows, debt relief or improved trade concessions."

It's pure Scandinavian.



PLENTY OF SILENCE, PLENTY OF SPACE.

OUR NEW MD-90S ARE NOT ONLY UNUSUALLY COMFORTABLE. THEY'RE ALSO UNUSUALLY QUIET AND ENVIRONMENTALLY FRIENDLY.

Institutions' confidence grows as inflow to mutual funds rises fivefold

Boost for property investment

By Andrew Taylor, Construction Correspond

Further evidence of a revival in commercial property investment by financial institutions was provided yesterday by a big jump in the amount of new money raised by property unit

New investment in the trusts (mutual funds) rose more than fivefold to almost £175m (\$283.5m) in the first quarter of this year compared with just £32.6m in the first three months of 1996. New money raised was 73

final quarter of last year, with net investment of have reduced the proportion according to the Association of Property Unit Trusts.

Its latest quarterly figures emphasise the extent of the revival of confidence in commercial property by institutions which for much of the past 15 years have been reducing their property holdings.

The association said that the value of funds held by its members rose by 13 per cent to £2.97bn during the year to March.

Net investment in the first quarter, after taking into account redemptions, was per cent higher than in the £157.27m. This compared

flow of £10.09m in the same period a year ago.

Pricoa Property Investment Management, the European property investment specialists, said: "Recent figures from the Office of National Statistics have suggested that pension funds have been reducing their direct holdings in property.

"The association's latest figures point to the fact that pension funds are increasingly investing indirectly in property unit trusts." Since 1981, institutions

£81.18m in the previous of their total investment in three months and a net out- commercial property from almost 19 per cent to less than 5 per cent. Recent studies, however, indicate that this trend may be starting to reverse.

> A separate survey published yesterday by the Royal Institution of Chartered Surveyors said the confidence in the commercial property sector "was at its highest for at least three years". It said: "Although some new buildings are under construction, the time delay before supply can be

Further upward pressure

on rents was likely to be caused by building costs which were forecast to rise over the next two years. It warned that the shortage of homes was leading to acute price rises in some areas. Jones Lang Wooton (JLW) international estate agents and real estate advisers announced vesterday that it was merging with Richard Main, City of London property specialists, taking the total amount of City office space managed by increased to meet demand is JLW to more than 6.4m sq ft.

Army fails to find extras for Spielberg

in London

Steven Spielberg, the Oscar-winning director, is considering transfering part of the production of his film, Saving Private Ryan, from England to the Republic of freland because of a shortage of extras.

DreamWorks, the US entertainment group cofounded by Mr Spielberg, wants to use 1,000 male extras, preferably professional soldiers or Territorial Army volunteers, to re-enact the D-Day landings for the movie, which stars Tom

The Army yesterday said it was unable to meet Mr Spielberg's requirements, explaining it does not have nough troops available.

Some 28 per cent of British soldiers are deployed in Bosnia, Northern Ireland or providing cover for a fire brigade strike în England. A further 30 per cent of troops are training.

Mr Spielberg is eager to ise real troops for Saving Private Ryan because he wants them to have an authentically tough, athletic air. The extras must be fit enough to race in and out of the sea carrying heavy

equipment during filming. DreamWorks representatives will visit Ireland today to view locations. They will discuss possibly using Irish territorials, who acted as extras in the battle scenes of Mel Gibson's Braveheart.

The British Film Commission said it was doing "everything possible" to ensure the whole of Saving Private Ryan was filmed in England. It faces fierce competition for US productions from Ireland, where film makers qualify for tax breaks. Several ostensibly British" films, including Sweeney Todd and Moby

Dick, are being shot there. Hollywood blockbusters nade in the UK, including Mission Impossible and The Soint, have fuelled the film industry's revival.

UK NEWS DIGEST

Bomb at Sinn Féin office

A car bomb containing 50kg of explosives was defused by the British army yesterday outside a Sinn Féin office in Belfast, the capital of Northern Ireland. The bomb was packed into a beer keg in the back of a white car believed to have been stolen in the city in January.

Mr Gerry Adams, Sinn Féin president, accused anti-re-publican "loyalists" of planting the device. It was similar to a bomb left close to another Sinn Fein office in the republican New Lodge area of the city several weeks ago. Houses and businesses were evacuated for more than two hours yesterday while the bomb team carried out two controlled explosions before declaring the device safe.

The alarm was raised by a telephone caller to a local radio station who gave no recognised codeword and named no organisation as being responsible. Homes in part of the Catholic Bawnmore estate at Newtownabbey on the northern outskirts of Belfast were yesterday evacuated in a bomb alert which turned out to be a hoax.

■ NORTH SEA FIELDS

Oil and gas output at record

Oil and natural gas production in the North Sea reached a combined record last year and represented 2.5 per cent of the UK gross domestic product, the government's annual energy report said yesterday.

A total of 130m tonnes of oil was produced, slightly down on a year earlier. The decline was more than offset by a sharp increase in gas output to 89.8bn cu m, comby a sharp in the same in 1995. Possible remaining oil reserves are estimated at 2025m tonnes, with maximum possible gas reserves at 1960bn cu m.

Development activity in the sector was at record levels. with 261 wells having been started in 1996 compared with 244 a year earlier. There was also an increase in exploration and appraisal wells, which numbered 112 compared with 98 in 1995. Total investment in the sector was up 3.5 Robert Corzine, London per cent to £4.4bn (\$7.12bn).

CHANNEL RAIL PAY TALKS Eurostar may improve offer

Eurostar is expected to improve its pay offer to managers who work on trains between London and mainland Europe when talks resume later this week with the Associated Society of Locomotive Engineers and Firemen (Aslef), the train drivers' union, after it was announced yesterday that they are to be balloted for industrial

The 130 managers, who are essential for ensuring safety on the trains that run through the Channel Tunnel and act as relief drivers, will be asked to back a series of 24hour strikes. They have already rejected a company offer that would have increased their salary to over £21,000 (\$34,000) a year. At present the managers earn between £18,000 and £19,000 under 30 different rates of pay.

"The managers are seeking a sensible wage structure which reflects the rate for the job and for the very respon sible duties they have to carry out", Mr Lew Adams, Aslef's general secretary, said yesterday.

In a separate development, Aslef also said that staff employed on Le Shuttle trains running transport cars between the English and French coasts might also be involved in stoppages over the issue of trade union recognition. Robert Taylor, London

Brothers connect with British board business

Latest acquisitions make US newcomer the leader of European printed circuit sector

brothers with seven decades of collective experience in US industry have recently been spending a lot of time examining the UK printed circuit board sector. They like what they

Twice in the past two months the Mills brothers, chairman and president respectively of Viasystems, a US PCB maker set up only last year, have swooped to buy two leading UK board manufacturers.

Last month, Forward, a publicly quoted group. became part of Viasystems for £129m (\$208m). Viasystems paid an undisclosed sum earlier this month to take over the privately owned Interconnection Systems, the UK's biggest PCB producer and one of the country's fastest growing technology companies.

The purchases have made Viasystems Europe's biggest maker of PCBs, which are essential components for most types of electronic stronger than anywhere else

Production this year from strong domestic demand but

Interconnection plants is likely to reach about \$400m. of which half will be for export. This will mean that some 45 per cent of the UK's total output of PCBs will be under the control of a company formed with a \$2bn

"war chest" for buying up

PCB makers.

Britain is the second biggest maker of PCBs in western Europe after Germany, accounting for about 17 per cent of the \$5.2bn worth of board output last year

"The UK has a good cost base, and excellent management," says Mr Bob Mills. Moreover, the industry in the UK has a growth record in Europe, partly because of

£200,000

£150,000

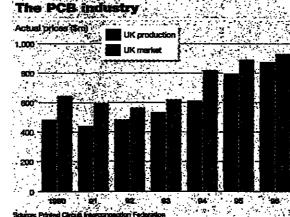
£250,000

im and Bob Mills – two the company's Forward and also on the back of healthy exports expansion.

> Last year, UK output of boards totalled \$878.2m, according to the UK Printed Circuit Interconnection Federation, the trade body for the industry. Production was up 80 per cent on 1992, a low point for the sector linked to the early 1990s recession. Over the same period, exports more than doubled. from \$112m to \$253m.

Britain is the second biggest maker of PCBs in westaccounting for about 17 per sales from an expected \$1bn cent of the \$5.2bn worth of this year to up to \$2bn in boards made in western two years' time. Among the Europe last year. The UK company's rivals are Momindustry consists of about 150 companies, most of them of small or medium size and which are subcontractors, usually to much larger electronics companies.

According to Mr Brian Printed Circuit Interconnection Federation, the industry concentration of electronics groups in Britain and by a improve productivity and UK purchases.



design skills. Output per person in the industry climbed nearly 70 cent in the four years to 1996. The performance record

brothers that Britain should be an essential part of their and quality for their boards, ern Europe after Germany, plans to boost Viasystems's whether they are manufacsales from an expected \$1bn turing in India or Ireland. mers of the Netherlands and Ruwel-Werke and Mayer of Germany, along with CMK of Japan, which is the world's biggest PCB producer.

According to Mr Bob Mills. Haken, director of the the company is considering 12 more acquisitions - four in mainland Europe, three in has been helped both by a Asia and five in north America - to add to the two it made last year in the US and big effort by board makers to Canada and its two recent

By the end of the century, the goal is to have a string of PCB plants around the world which can act as "satellite" manufacturing sites for mulhas convinced the Mills tinationals which want the same standards of design

> About two fifths of Viasys tems' output is likely to go to telecommunications companies, with the rest going mainly to businesses making computers, car parts, aerospace equipment and industrial machinery. Bankrolling the Mills

brothers' vision is Hicks. Muse, Tate & Furst, a Dallasbased investment group which has put up the funds for the acquisitions and is Viasystems' majority owner.

BUSINESS

Peter Marsh Chris Tighe

Melanie Miles 0171 873 3308

Clare Bellwood 0171 873 3234

BUSINESS OPPORTUNITIES READERS ARE RECOMMENDED TO SEEK APPROPRIATE PROPESSIONAL ADVICE BEFORE ENTERING INTO COMMITMENTS Fax 0171 873 3064

Investment Opportunities May 97

Self Assessment Tax Services Energy Drink - Cosmopolitan Backed Jamaican Property - Island "Returnees" Soil & Water Bioremediation On Line Job & Training Search New Advertising Concept International Inventions Fair RoymCheck - Hotel Booking System

Investors Tel: 01865 784411

£150,000 £100,000 Licence £50,000 £450,000 Integrated Sales & Mkt Software £200,000 **New Organic Food Products** £130,000

Venture Capital Report features businesses seeking equity capital which have been appraised by VCR staff after reviewing business plans and meeting the entrepreneurs concerned Details in VCR's monthly report Trial subscription available to VCR

EQUITY INVESTMENT Due to US Estate Tax considerations, a minority

interest in a US financial services company is being offered for sale. Ownership includes interest in a major US mulual fund, an insurance company and banking institution. The company has developed proprietary marketing methods that could be applied to European mutual fund development.

For more information, please contact: Bill Webb @ 001-212-688-6600 or fax @ 001-212-688-9710.

Principals Only. Confidentiality agreement will be required. Approved for issue by Dawnay Day Corporate Finance Ltd. which is regulated by the Security and Futures Authority.

WANTED **REVERSE TAKE-OVER**

We are food punufacturers, selling through our own 18 outlets mostly in prime locations in London. Historic profits 2500k. current 4500k (est.), rising to Cl million within 2/3 years. AIM listed company also considered.

Reply in confidence, pret, with accounts to Box B5187, Financial Times, One Southwark Bridge, London SE1 9HL

INNOVATIVE OPPORTUNITY e-tablished expanding international London-builed licensine & joint ne atventions company sock-investor (barebolder) Write to Box B5183, Financial Times, One Southwark Bridge,

London SE1 9HL ?DATA CENTRE FOR SALE?

vour maintrame I.T. Facility redundant If so we could take : off your hands and also require your on-going commitments (rent, equip leases and sustware leases etc.) ease roply in the strictest coaf to: Box B5186, Financial Times, One wark Bridge, London SE1 9HL

CHANNEL SLANDS Full Offshere Incorporation &

abishment Pavroll Systems Banking Facilities to: Ex-Patriatos For cetairs & appartment wine, Grey Trust Limited, 2nd Floor 34 Sand Place, St Holler Jersey JSC 476 1 01504 878774 Fav 0:504 0540: E Mail croying (Billinet

PROJECT AND COMMERCIAL thing tradable to UK and informational clients

Angly American Grave Pic Tel: 01924 201 365 Fax 01924 201 377

LEADING EUROPEAN CONSUMER **ELECTRONICS COMPANY** Seeks branded distribution to ment its own existing range of ronds. Simplies all national retailers atalogues and mail-order houses in

France, Germany, Switzerland and the UK. Replies to Nexus Financial Services Limited. Alexandra House, Alexandra Terrace. Guidford Surrey Tel. (44) 1483-306912 Fax. (44) 1483 306125

258k - £75k Small rapidiv expanding Franc (34 outlets) seeks additional capital investment for continues dvozacie arowii.

Write to Box 85200, Financial Times, One Southwark Bridge, London SE1 9Hi

S.A.H. REALISATIONS LIMITED (formerly Sheffield Auto Hire Limited) S.A.H.C.H. REALISATIONS

SHEFFRELD AUTO HHE TRAILER RENTALS LIMITED

FRANKERN MOTORS LIMITED

LET APPENDICATION EXCENTRALISM
MOREE IS HEREST CATCH prosper to Section 48 of the
trochresty Act 1986 that a twenting of the unsecured
Credition of the adopt named Companies will be held at
the Let South 1441, Ill Cango Lair, Shelfield S1 127
or 7 May 1997 at 10, Them for the purposes moreomed
in Section 48 and 49 of the and 44.

only maked to once 4: the local Administrative Reviews, not large than 12 00 hours on the Reviews, not large than 12 00 hours on the houses they being the day on which the message is to be feld decade as writing of the drift Bias day claim to be due to there from the Companies, and the claim has been fairly admitted under the training the feld of the f

Darto Juse on Section Section (Control of the Control of Control

To Advertise

Your Legal Notices

Please contact

Melanie Miles on

Tel: +44 0171 873 3349

 $Fax: \pm 44 \ 0171 \ 873 \ 3064$

PRINCIPAL PLACE OF BUSINESSE.

LAFTERCE STREET, SEESTING STREET

STREET, SEESTING D

(EN ADMINISTRATIVA EXCEPTERSE

LIMITED (formerly Sheffiel Hire Contract Hire Limi

UNIQUE INVESTMENT

started my business in 1992 with no money - the business has grown extremely fast and is now one of the UK's leading companies in its field. Anticipated turnover £4.3m and anticipated pre-tax profit £260,000 for year ended April 1997. Vast potential. We have no bank borrowings. I require a quality backer, mentor and partner with cash, experience and wisdom.

Write to: Box B5202, Financial Times, One Southwark Bridge, London SE1 9HL

LEGAL NOTICES

NOTICE TO SHARFHOLDERS To the durchoiders of MONTAGU PROPERTIES LIMITED, a company recompanied under the laws of the Republic of Ferna.

of I berta.

Notice is bereby given of a meeting of standarders of MONTAGE PROPERTIES I IMPED to be held at The Canary Hosel in Secreta, Switzerland on the 16th day of May 1997, at Soon for the following. propose To increase the capital at the company from 1985/942.772 at to USSO/82,772.00 to be erecised by the resumpter of new states. The bestice is given pursuant to Clinice D of the little is of incorporation of the company dated the 19th day of March 1980.

A city of the proposal Resolution can be obtained from the company's solicitors, Newson Containers & Container of Sea Containers Hause, Dr Upper Ground, Lit don SEI 5QT, marked for the attention Eurol the 25th day of April 1997, Geneva.

THE HIGH COURT IN THE MATTER OF: MOBEL RESOURCES PLC

(formerly Kish Resources Pic) AND IN THE MATTER OF: THE COMPANIES ACTS, 1963 - 1990 NOTBLE is hereby given that on 24 April 1907 the Uniter of the High Court made on 7 April 1907 continuous the reduction of the angular of the acropsis by the cancellation of the United Shares (mambering of the caucil Determine Shares (mambering to 50:032) and by the cancellation of the remaining universel Deferred Shares (cambering 43:479) and by the corresponding reduction in the amount of 18:23-94-556 standing to the debit of the Poste and Loss Account of the Company as attent by the aforeand order was registered with the Register of Companius pursuant in Section 75 of the S Dated 25 April 1997 Signal William Fry

Solutions Figwillian House Willon Place Dublin 2

OPPORTUNITY **SERVICES** UK

IMMIGRATION Specialist (Ex-Home Office

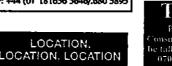
UK ancestry, student, marriage. For further information contact Jain McPhee, Consultant, DIS

T: +44 (0) 181 655 0360/686 7171 F: +44 (0) 181656 5646/.680 5895

Immigration Official, 6yrs exp.)

ervices include applications fo

ousiness visas, work permits



London EC4 120 Old Broad Street, London EC2. Regus Link - personalised elephone answering, tax and

secretarial service Fully furnished, staffed and equipped offices for rent by the day, week, month or yea A business address in the TeŁ (0171) 558 7000

CASHFLOW PROBLEMS?

Refocus and Refinance Your Business With Experts. Call (01765) 677846

Your Office in New York or London from S1 a day. Tel/Fact/Mail & more. Tel. 212 972 9617 Fex. 212 972 9637 Internet E-mail: info@nyoffice.com or http://www.nyoffice.com

FRANCHISING

DISCOURT WAREHOUSE Are you interested in sales in the first year

 Low rental premises Total investment £170K

Talk £100's Became an Authorised msultant for us, and you cou talking big money. Vodafon 0700 and 07074 prefix's are available now. For less than a of only feeds but also a suppl

Personal Sumbe Call us now 07000 654321

TELECOMMUNICATIONS

PHONE CALLS Optic Lines
ATET and Other Network
Use from Home, Office,
Hotels, Cell Phones Call now for New Low Raise Tel: 1.206.284.8600 Fax: 1.206.270.0009 Lines open 24 hours! **kali**back

SEEK APPROPRIATE PROFESSIONAL ADVICE BEFORE ENTERING INTO

· Weekend trading only Training and support Cali David Hoskins now on 91733 319468

upport you would expect from the UK's forecast supplier of

SAVE ON INTERNATIONAL

BUSINESS WANTED

BUSINESSES WANTED

Metalock Industrial Services Ltd are part of a Multi National group specialising in the provision of mechanical equipment repair services to industry. The company plan to expand its activities in Scotland and are interested in acquiring a suitable company that has an established market in one or more related fields.

Principals only should apply in writing to: Mr John Hall Managing Director Metalock Industrial Services Ltd

11 Paragon Way, Bayton Road, Coventry CV7 9OS

LEADING MANPOWER SERVICES **COMPANY IN ISRAEL**

is interested in buying a majority holding in an existing London company in the same field. The prospective company should be based in London and have an aggressive management which is erested in growth and open to changes.

For lumber enquiries, please contact: Lynn-Bichler Human Resources 119 Kazenelson Street, Givatayim, 53273 ISRAEL ATTN: Mr. Aryeh Bichler Tel: 972-3-6730418 Fax: 972-3-6730583 Please provide summary information about the company.

WANTED

MARKETING SUPPORT SERVICE COMPANIES Listed PLC with funds for acquisition seeks to acquire specialist support companies particularly in the design and provision of displays for retail ents, public areas, exhibitions, confe

Acquisitions sought both in UK and overseas. vanies should write, enclosing brief description and latest account to: Box B5188, Financial Times, One Southwark Bridge, London SE1 9HL

PROPERTY COMPANY WANTED

Substantial Private Company seeks interesting/complex company for acquisition up to £15m.

SMITH MELZACK Alun Kieimman: 0171 393 4000 activitle House 40 Piccadilly W1V OHO

Textile Co seeks to acquire UK bas esses in the following sectors:-**LADIES HOSIERY**

KNITWEAR um turnover £2 million Write to Box 85184, Financial Times

PRIVATE COMPANY SEEKS ACQUISITION Will consider any business with trading profits in

excess of £1/2m.

GRANWOOD HOLDINGS LIMITED

(01246) 590543 Ask for the Chairman RAPIDLY

EXPANDING PLC

Publishing/Media company taking £100,000 per-tax profits per annum, and over. Write to Box B5176, Financial

Times, One Southwark Bridge, London SEI 9HL

Due to city bank order postponement we have a large quantity of quality executive and system

Large Showroom - No Appointment Necessary

OFFICE EQUIPMENT

OFFICE FURNITURE

ranges -conferences and receptions. Large choice of veneers: (Walnut, Rosewood, Ash etc.) with discount of up to 40% from R.R.P.!

LINEABURD 69-73 THEOBALD'S ROAD, LONDON WOLX 8TA 0171 831 6678

NEWS: UK

Banks face 'dirty money' jibe from US

By John Mason,

Law Courts Correspondent

UK bankers and financial services professionals could be prosecuted under US antimoney laundering laws because staff are inadequately trained to spot the proceeds of crime, a conference in London will be told

"New York sends dirty money to London," Mr John Moscow, the senior assistant district attorney of Manhattan, said at a press conference in the British capital yesterday.

"I'm not looking for a squabble, but I think that money laundering is a problem and banking secrecy is a big thing. There are some people who think there should be banking secrecy and no questions asked. I disagree.

A survey published yesterday revealed that one in five officers in banks and other financial institutions who are responsible for reporting suspicious transactions have received inadequate training a series of electronic blips. for their legal obligations.

This could put them and their employers at risk from a robust US initiative to use extra-territorial powers to combat money laundering, Mr Rowan Bosworth-Davies, a financial crime specialist with City of London law firm Titmuss Sainer Dechert said. The survey, carried out by Mr Bosworth-Davies and paid for by the Financial Times Financial Publishing, polled 260 money laundering reporting officers (MLROs) m banking and other financial services.

His remarks were underlined by Mr Moscow, who recently prosecuted three Venezuelan bankers for laundering money through New York.

Mr Moscow said the US step up their use of draconian extra-territorial powers against foreign banks and

vey's findings and the US initiative were questioned by the British Banker's Association. It insisted that training

their anti-money laundering procedures.

notably in Manhattan, servto take punitive extraterritorial action over any more than \$10,000 that pass through New York, however briefly.

laundering transaction from, for example, London to Geneva would almost certainly come under the jurisdiction of the US courts because the cash would most likely have passed through the New York clearing bank system, if only for a matter of seconds and in the form of

Increased use of these powers could result in non-US institutions having their assets seized and personnel extradited to the US to face criminal charges.

per cent of respondents the British Banker's Associa-

had received no training. A BBA spokesman said the US and UK agreed on the authorities were entitled to need to clean up financial markets and put "bad guys" behind bars. But he said: "I don't believe the US has a monopoly on justice."

standards were high. Under the initiative, ordered by President Bill Clinton in 1995, US authorities have raised the stakes in their efforts to persuade other countries to tighten

This includes prosecutors, ing notice that they intend dollar-based transactions of

A dollar-based money

The survey report said 20

failed to receive satisfactory training on spotting money laundering and their legal obligations to report suspicious transactions to the National Criminal Intelligence Service (NCIS). Of these, seven per cent received their training from tion before 1990 when the UK money laundering regulations came into force, and 13 per cent admitted they

Labour plays down 'landslide' expectations

By John Gapper in London

The Labour Party yesterday The Labour Farty scaling, attempted to play down growing expectations that it will win a landslide victory in the general election on Thursday, insisting that it intended fighting for every

Mr Tony Blair, the party leader emphasised that Labour would continue campaigning until the last minute, despite gaining leads of about 20 percentage points in the latest opinion polls. The ruling Conservative party

The general election campaign

also attempted to cast doubt on opinion polls, and to avoid being drawn publicly into speculation on which senior party figures would take part in a contest to succeed Mr John Major as party leader.

Despite these efforts, there was a growing consensus that Labour is in line to end 18 years of Conservative government in Britain, having apparently managed to avoid

any serious narrowing of its large opinion poll lead. Mr Blair continued to emphasis

Labour's theme over the past few days of the campaign – that voters could allow the Conservatives back into government through complacency. He said his party would be taking nothing for granted"

The Labour party is widely regarded as having relaxed its guard in the last days before the 1992 general election, when it had a narrow opinion poll lead. At that time, Mr Major led the

Mr Blair concentrated his day's campaigning on the prospects for the National Health Service, the publicly-funded medical system, if the Conservatives were re-elected. He argued that the NHS would be

better and fairer" under Labour. Labour has promised to add an extra £100m to the NHS annual budget of £35bn if elected, and hopes to transfer some of the A.5bn spent annually on adminis-

Conservatives to an unexpected ruled out raising taxation to help victory, defying all the expert further. Mr Blair said that he did not think the UK was "a landslide country", despite opinion poll ratings that would give Labour a majority of up to 200 in the 659-seat House of Commons if they were translated into votes on

Thursday. Mr Michael Heseltine, the deputy prime minister, said that he believed in "fighting to the last man and the last round", and doubted the poll findings. He said a large number of the voters had tration into patient care. It has not yet made up their minds.

Conservative hopefuls look beyond Major

Contenders discreetly stake their claims as defeat looms.

campaign to become the next leader of the Conservative party has inevitably been a quiet affair. It is not in the interests of any contender to make his or her candidacy known yet. Anyone interested must first await the party's widelyexpected election defeat on Thursday.

The emergence of contenders to succeed Mr John Major as party leader would not be long delayed. With the prospect of a Labour victory and the likelihood of Mr Major stepping down after the election, several senior party figures would be eager to declare their hands to

gain an early edge. The election by the party's members of parliament could be a divisive event. Since the Conservative party has been in power for 18 years, the shock of losing office would be likely to lead to recriminations. Hardline opponents of European integration may well blame pro-Europeans for the election

The opposition of most in the party to the UK participating in a European single currency means that right-

wingers would have an early advantage. The two most obvious candidates of the right are Mr Michael Portillo, chief defence minister, and Mr John Redwood, a former cabinet member.

Mr Portillo was seen as the leading rightwing contende until 1995, when Mr Major called a snap leadership election to gain a mandate for his policies on Europe. Mr Portillo exposed himself to ridicule by not standing while installing extra telephone lines just in case.

Mr John Redwood, a fellow of All Souls College at Oxford University and former broking analyst, exploited the gap by resigning from the cabinet to stand against Mr Major. While appearing too cold and intellectual to make a good prime minister, Mr Redwood won points for courage.

Yet Mr Portillo has since won back respect and has fought a loyal campaign. By contrast, Mr Redwood has tried to push Mr Major towards ruling out a single currency. The result is that Mr Portillo would again be the leading rightwing contender despite doubts about his judgment



Two potential candidates for the Conservative leadership at opposite ends of the age scale are William Hague (left), at 36 the youngest member of the Major cabinet, and Michael Heseltine, 64, the strongly pro-European deputy prime minister who attempted to win the leadership in 1990 after the ousting of Margaret Thatcher. Neither is likely to lose his seat in the House of Commons even if Labour wins the national election on Thursday

A rightwing alternative might be Mr Michael Howard, the home secretary, who has won party popularity for his tough policies on imprisonment and immigration. However, even his supporters acknowledge that many ordinary people see him as mean-spirited, and wrong to lead the country.

n obvious alternative to Mr Portillo is Mr William Hague, the 36-year-old chief minister for Wales, who leapt to prominence when he spoke at a party conference when he was only 16. Mr Hague has flourished into an adept and popular politician within the Conservative party.

Many Conservatives see him not only as a suitable party's left and right wings, but a good challenger to Mr Tony Blair, the Labour

On the left, Mr Kenneth Clarke, the chancellor of the exchequer, is regarded as a heavyweight candidate despite the unpopularity of his insistence that the party should not rule out joining a single currency in 1999. Mr Clarke is widely respected for his solid good sense and liberal Toryism.

It has been widely assumed that Mr Michael Heseltine, the 64-year-old deputy prime minister, was too old to stand as a candi-

However, indications are that the pro-European Mr Heseltine might stand and strike a deal with Mr Clarke compromise between the to step down at a suitable

moment for the latter to succeed him.

Another candidate on the left of the party whose hat is clearly in the ring is Mr Stephen Dorrell, health secretary. However, Mr Dorrell's barely-concealed attempt to gain favour on the right by portraying himself as a sceptic about Europe in a speech did him little good.

Patten, governor of Hong Kong, who loses his job in June when the territory is handed back to China. In his favour, Mr Patten is a friend of Mr Major, but he would have to recapture a Commons seat at a by-election to have a chance of becoming the Conservative leader.

John Gapper

Appeal to anti-EU group to aid Tories

Mr Paul Sykes, businessman providing financial backing to Eurosceptic Conservative candidates, yesterday issued an appeal for the Referendum party to withdraw from districts where Tory [Conservative] candidates publicly oppose a single European currency, Liam Halligan writes.

"If your candidates stand, as many are doing, in marginal constituencies, splitting the vote, they will allow Labour and Liberal Democrats to get elected," Mr Sykes told Sir James Goldsmith, the leader of the Referendum party. "It would be regrettable for us all if the Conservatives were to lose by only 15 or 20 seats, allowing these two federalist

parties into power." The Referendum party is standing in 547 of Britain's 659 constituencies, avoiding 93 seats on its "white list". where Conservative candi-The wild card is Mr Chris dates have an antiintegrationist record.

Editorial Comment, Page 17

More news of the election campaign can be found at the Financial Times website http://www.FT.com where each district's result will be shown as it is declared after voting on Thursday



By 2010 the United States may no longer be the world's largest car market.

The growing strength of Asian markets is good news for business everywhere. But realising the vast potential requires an intimate understanding of Asian conditions, With over 130 years of experience around the region, HongkongBank has the specialised knowledge and expertise to help you seize the opportunities.

HongkongBank

German sex law overruled



EUROPEAN subject to COURT were contrary

pean Court of Justice ruled. award of compensation, that The case arose out of proceedings brought by Mr Nils Draehmpachl against Urania Immobilienservice obG. The company had advertised for a female assistant in sales management. Mr Draehmpachl applied, but Urania did not reply to his letter nor return his documents. He claimed he was the best qualified applicant and alleged sex discrimination.

to the European Court. It nature and importance. asked first whether the Directive precluded provisions of domestic law which discrimination dependent on proving fault.

The Court referred to an earlier case, and reiterated that any breach of the prohibition of discrimination to render the employer fully liable, without there being job. any possibility of invoking exemptions under domestic law. Therefore, the court did not consider relevant the argument of the German government that proof of fault was easy to adduce under German law.

By its second and third asked whether the directive precluded provisions of domestic law which placed a ceiling of three months' salary on the amount of comalso asked whether the answer to that question also applied where the person discriminated against would not have obtained the position anyway because the applicant chosen had supe-

rior qualifications. The Court noted that even though the directive did not impose a specific sanction on member states, nonetheless. it obliged them to adopt

German laws measures which were suffiwhich made ciently effective for achievthe payment ing the directive's aim to of damages ensure that those measures for sex dis- might be effectively relied crimination on before national courts.

The directive required that proof of fault if a member state chose to penalise a breach of the proto European law, the Euro- hibition of discrimination by compensation had to be such as to guarantee real and effective judicial protection. have a real deterrent effect on the employer and be adequate in relation to the damage sustained.

The Court observed that member states had to ensure that infringements of European law were penalised under conditions, procedural and substantive, which were The Hamburg Labour analogous to those applica-Court found in his favour ble to infringements of but referred four questions domestic law of a similar

The court concluded that European Equal Treatment the German provisions which prescribed an upper limit of three months' salary made compensation for sex for compensation for sex discrimination were contrary to

the directive. However, it also concluded that reparation could take account of the fact that if there had been no discrimmust, in itself, be sufficient ination, some applicants would not have obtained the

Such applicants had not suffered to the same degree as those who would have obtained the job if there had been no discrimination. It was not unreasonable for a member state to lay down a statutory presumption that the damage suffered by such questions the national court an applicant could not exceed three months' salary.

Finally, the Court said the directive precluded domestic laws which imposed a ceiling of six months' earnings pensation in such cases. It on the aggregate amount of compensation, which where several applicants claimed damages could be claimed by applicants who had been discriminated against on grounds of sex.

> C-180195: Nils Draehmpaehl v Urania Immobilienservice ohG. ECJ FC. April 22 1997.

BRICK COURT CHAMBERS, BRUSSELS | software to financial

INTERNATIONAL PEOPLE

Boston elects Stern to top job

Carl Stern, who joined the Boston Consulting Group 23 years ago after graduating top in his MBA class, has been elected president and chief executive of the strategy consultancy firm. He succeeds John Clarkeson, who will remain as chairman.

Every three years an election is held for the chief executive position at BCG. Voting is by the firm's 200 worldwide partners.

Clarkeson has held the position since 1985 and announced that he would not stand for re-election for a fifth term when he was elected in 1994. He is widely credited with giving the firm a common direction and setting a vision which has brought all the partners on board. Stern, aged 51, is a senior ice-president, co-chairman of BCG's Americas region and a mem-

He holds an MBA from Stanford University's graduate school of business. He joined BCG in 1974 and spent two years in the firm's London office before leading the Chicago office - one of the most

ber of the firm's executive commit-

consumer packaged goods, finan-cial services and industrial compa-Dwayne Andreas continues as nies, most of which are global in chairman - he is proud of his famiscope. One industry observer described him as being both a "safe pair of hands" and an innovator. Privately held BCG is a main competitor to McKinsey and was the first consulting group to specialise purely in strategy.

Lisa Wood, London

New chief at grain processing group

Allen Andreas has succeeded his uncle, Dwayne Andreas, as chief executive of Archer Daniels Midland, the US-based grain processing group.

The new CEO is well suited for

ADM's global business. He is a 25year veteran of the company and spearheaded ADM's international expansion. He has lived in London for six of the past eight years, opening the company's first European offices in 1989.

He returned to Illinois in 1994 to become a special adviser to the was blackened during the last two board, and in that role gained the support of important institutional lected evidence that ADM partici- nation of a three-year process

1981 to 1991. His practice spans holders have painted his appointly's record. "If you had invested \$1,000 in ADM 30 years ago, when my family began managing this business, you would have \$100,000 now," he observed. "I think that growth is sustainable."

Allen has three immediate challenges. The first is to convince institutional investors and longtime shareholders that the grain processing and merchandising ompany has put its troubles with the US government in the past.

The second is to guide ADM through a difficult period where rising raw materials prices and staunch competition are trimming margins.

Finally, there is the delicate matter of his own appointment. The 53-year-old executive succeeds his 79-year-old uncle, Mr Dwayne Andreas, a flamboyant leader with unparalleled global connections, who held ADM's tiller for 30

The senior Mr Andreas' record years as the US government col-

scheme for food and feed additives it produced

The company settled with the US Justice Department last year and agreed to pay \$100m, a record in any US price-fixing case. With recent settlements of civil cases brought by shareholders the tab has risen to nearly \$200m.

Perhaps the greater price for the company, which had \$13bn in sales last year, was one of investor confidence. Soon after the government investigation came to light, shareholder activists pressured ADM to reform its board. That reform is in progress and Allen says the company is ready to move on. Laurie Morse, Chicago

Ramaphosa joins Anglo American

Cyril Ramaphosa, the former sec-retary-general of the African National Congress, and Mzi Khu-malo, who spent 12 years as a political prisoner under the apartheid egime, have been appointed to the main board of Anglo American. South Africa's largest company.

The appointments are the culmi-

successful within the firm - from shareholders. While some share- pated in a global price-fixing which began on the eve of the first all-race election in March 1994. when Anglo offered to sell Johnnic. a R10bn industrial holding company, and JCI, the world's sixth largest gold producer, to black investors to promote black eco-

nomic empowerment. Ramaphosa, who quit politics in May last year to pursue a business career, was appointed chairman of Johnnic after he marshalled the rival trade union and business groupings who took control of Johnnic in August. As the founding president of the National Union of Mineworkers, his appointment to the Anglo board has been widely cited as a measure of South Africa's political transformation since the end of apartheid.

Outside the financial services industry, Khumalo, who was jailed for 12 years with Nelson Mandela on Robben Island, was a little known figure until he became chairman of Capital Alliance, a black-controlled investment holding company. There he led Africa Mining Group's successful bid for Anglo's controlling stake in JCI and took over as chairman last month. Anglo will retain a minority stake in both companies.

Mark Ashurst, Johannesburg

ON THE MOVE

■ PHILIPP HOLZMANN. Germany's largest construction group, has Boehm-Bezing as the new head of its supervisory board. Boehm-Bezing, also a member of Deutsche Bank AG's management board, takes over from Hermann Becker, who resigned early

in March. ■ BANK OF WESTERN AUSTRALIA has appointed Terry Budge as chief ■ GAYLORD **ENTERTAINMENT has**

appointed Terry London, its chief operating officer. president and chief executive officer of the company from May 1 with the retirement of E. W. Wendell, who has been president since 1978. Wendell, who is 69. will remain a consultant to the company.

■ Gilles Leflambe has been appointed as head of product management for the Society for Worldwide Interbank Financial Telecommunications, the bank-owned co-operative supplying secure messaging

services and interface

institutions. He will have worldwide responsibility for the conception and development of SWIFT's products and message ■ CORNERSTONE

IMAGING, a provider of monitors and graphics controllers for computing applications, has appointed Mark Lewis as managing director Europe. He will be responsible for sales, marketing and operations for Cornerstone European. Middle Eastern and African

■ NELSON HURST has appointed David Batchelor to head its Asia Pacific Region.

■ SONAE INVESTIMENTOS has appointed two new board members and one nev director for a four-year period. Antonio Borges, Bank of Portugal vice-governor and Paul Orchard-Lisle, president of Reading University, have been appointed to the board. Jose Peneda, former Minister for Employment and Social Security becomes a director. Sonae Investimentos is the holding company which oversees Portugal's largest retail and financial

supervisory board has appointed Ivan Misetic, chief of protocol to president Franio Tudiman, as company president to replace Matija Katicic. ■ Antonio Finocchiaro has been appointed as a BANK OF ITALY vice-director-general.

replacing Tommaso Padoa Schioppa who was recently appointed as chairman of Consob, the Italian stock market regulator. Finocchiaro joined the Bank of Italy in 1961 and has been **■ UNION BANK OF** SWITZERLAND has appointed Stevan Lambert

as managing director of its fixed income, currency derivatives and debt capital markets business in East Asia, based in Singapore. He was previously managing similar businesses for Merrill Lynch in Australia and London. ■ Irish-based BULA RESOURCES has announced that Jim Stanley has

chief executive of its oil exploration and production group.Tom Fitzpatrick will be the interim chairman. ASAHI BANK has appointed a new president and chairman to cope with

resigned as chairman and

Japan's "Big Bang" financial reforms. Tatsuro Ito, one of the bank's two deputy presidents, will replace Shigehiko Yoshino as president, while the other leputy president, Tadashi Tanaka, will replace Kosuke Yokote, the chairman, ■ The FEDERAL BANK OF NEW YORK's board of directors has promoted three officers in the markets group to senior vice-president. They are: Pauline Chen, who has been given additional responsibility for the discount window; Dino Kos, who has been responsible for foreign exchange operations since January 1995 and

Sandra Krieger, who has been responsible for domestic open market operations since January ■ ACCLAIM **ENTERTAINMENT** has promoted Fabian Nicieza from senior vice-president to president and publisher of its comics unit. Acclaim Comics. Acclaim

entertainment software for Nintendo, Sega, Sony and personal computer hardware

Entertainment publishes

David Bauer, formerly a managing director at Lehman Brothers, has left to fixed-income sales at CREDIT SUISSE FIRST BOSTON. ■ ECI TELECOM has appointed Jonathan Kolber as chairman. He replaces Yoseph Rosen, who is resigning although be will remain a member of ECI's

become a co-head of US

board. ECI based in Israel. designs, develops, manufactures and markets digital telecommunications and data transmission

systems. TCHIBO HOLDING has formed a five-strong management board at Eduscho, the coffee roasting company which it bought last December. Tchibo said it would retain Hans-Werner Eckhoff (procurement and production) and Bernd Schmielau (personnel and

legal matters). It has appointed Reinhold Moebs. formerly of Procter & Gamble, as marketing head. Tchibo also added two of its own managers to the Eduscho board - Hasso von Duering as sales director and Rainer Kutzner to head finance/systems, Hartmut Felgen, the former Eduscho sales head has left the

company. ■ SINGAPORE PETROLEUM COMPANY

has appointed Jacobus Johannes Rinck, its executive president, as its executive director. Rinck was also appointed director of Singapore Refining. ■ Claes Bjoerk, a senior vice-president of SKANSKA and head of Skanska's US business area, has been appointed president and chief executive of Skanska from August 1. He will replace Melker Schoerling, who will take over as chairman of Skanska at the annual general meeting on May 5 from Percy Barnevik, who will become chairman of Investor. Bjoerk has been with Skanska since 1967. Since 1995 he has been a member of Skanska's group Katsura Morita, chairman of TAKEDA CHEMICAL INDUSTRIES, will step down

International appointments

on June 27. No replacement

has been announced.

Please fax information on new appointments and retirements to

44 171 873 3926, marked for International People. Set fax to 'fine'.

BUSINESS FOR SALE

Clare Bellwood 0171 873 3234

Fax 0171 873 3064

Melanie Miles 0171 873 3308

■ CROATIA AIRLINES



ELECTRONIC EQUIPMENT MANUFACTURER

Data Acquisition

Limited

The Joint Administrative Receivers: Michael Horrocks and

designer and manufacturer of electronic equipment.

design and manufacture of data acquisition and

For further information, please contact Mark Didfield of

Coopers & Lybrand, Abacus Courl, 6 Minshull Street,

Tol 0161 236 9191, Fax 0161 228 3920

BUSINESS

OPPORTUNITY

The joint administrative receivers offer for sale.

| W Clark & Co (Hampshire) Limited t/a QED.

Motor vehicle exhaust wholesalers & retailers.

Birmingham, Ruislip, Peckham, Leeds.

■ Depots in Portsmouth, Manchester,

Derby, Wirral, Swansea, Newport,

■ Turnover of approximately £8 million.

For further information please contact Rod Withinshaw or Lindsay Cooper at Kidsons Impey, Devorshire House, 36 George Street,

Tel: 0161 236 7735 Fax: 0161 236 7020

IMPSY Chartered Accountants

BUSINESS FOR SALE

n-house department for Automotive Company

Office Equipment Distributor T O 5744k Adj NP \$105k

Excellent business, Highly recommended Control Panel Manufacturer TO \$1 4M Adj NP £64K. Opportunity for expansion through

tains activity. Engineering Design & Analysis T.O £728K NP £364K, ideal as

Contact Lours James on 0118 981 1121

for further details on these and other businesses available.

(freehold & leasthold).

Manchester, M1 4HA...

as a going concern, the business and assets of

Coopers & Lybrard is authorized by the Institute of Chartered in Expland and Waley to come on Institution Resings.

Principal features of the business include

Rolls Royce, Brilish Acrospace

mulhoralyser systems

Manchester M1 3ED

Edward Klempka, offer for sale the business and assets at this

accreditation to ISO 9001 and approved supplier to Rover,

 substantial order back including long term detence contract modern 12,500 sq ft freshold factory in Slockport



Oxbridge Information **Systems Limited** (in administrative receivership)

The Joint Administrative Receivers offer for sale the business and assets of Oxbridge Information Systems Limited based in Banbury, Oxfordshire. The company retails and provides contract maintenance for its own range of production monitoring and process control systems, used mainly in the plastics industry.

Pancipal features include:

Established product range marketed under the Mirror,

Mynad, Realflex, View and Maintrack names ■ Maintenance and software support contracts

generating an annual income of c£2 million ■ Order prospects of c2.5 million for control systems.

For further information please contact: Paul Jeffery, KPMG, Norfolk House, Silbury Boulevard, Central Milton Keynes MK9 2HA, Tel: 01908 844885. Fax: 01908 844803.

KPMG Corporate Recovery

E:Mail paul.jefferey@kpmg.co.uk

KFN/G is authorised by the institute of Charleted Accountants in England and Water to carry on Investment Business.

FOR SALE ELECTRICAL POWER EQUIPMENT Manufacturer & Designer

Lo £1.25 million, Strong Order Book, Quality Customer base Parent company wishes to dispose of this division located in South West England as 11 no longer forms part of its core activities. For further details please reply to Thomson, Snell & Passmore, ref. 80, 3 Lonsdale Gardens, Tunbridge Wells, Kent TN1 1NX

FOR SALE

Profitable Technical Staff Agency with a £1m turnover, high share capital and operating without capital and operating without overdeaft. Gierts in the UK and Overseas. Owner Leen to continue working. Write to Box B5196, Financial Times, One Southwark Bridge, Lendon SE1 9HL

solutions

FOR SALE

PROCESSED and anatogue/alternative CHEESE plant based South East U.K, Approx \$400k needed to buy including raw materials at cost. Principals only please write box 85195, Financial Times, One Southwark Bridge, London SE1 9HL

The Financial Times plans to publish a Survey on

Property in Manchester

For further information on advertising opportunities, please contact: Tina McGorman

Friday 30th May

or your usual Financial Times representative.

Tel: +44 171 873 3252 Fax: +44 171 873 3098 FT Surveys



Aerospace and Commercial Aviation Conference

Paris Hilton, 12 & 13 June 1997

A major FT conference on the eve of the Paris International Air Show

KEY INDUSTRY TOPICS BEING DISCUSSED INCLUDE: Visions, challenges and opportunities for a restructured Airbus
 To what extent is the industry applying the lessons of the last

Industrie in a competitive global marketplace

The market for large passenger jets re-apprais

 Has consolidation in the US aerospace defence industry run its course?

 The way forward for aerospace defence manufacturing in Europe?

boom-bust cycle in the current upturn?

The future for commercial space exploration: Competition or

co-operation between industry players?

 The myth and reality of European air transport deregulation: The opportunity for low cost airlines

Enhancing air safety: Operational and technical challenges

CONFIRMED INDUSTRY SPEAKERS:

Mr Yves Michot Chairman and Chief Executive Officer Aerospatiale

Mr Mike Turner Group Managing Director British Aerospace pic President, The Society of British Aerospace Companies (SBAC)

Mr Charles Bigot Chairman and Chief Executive Officer Arianespace

Mr James A Blackweli Jr President and Chief Operating Officer, Aeronautics Sector Lockheed Mertin Corporation

Mr Patrick Gavin Chief Executive Officer Al(R) — Aero International (Regional)

Supported by GEMINI CONSULTING

Mr John Leahy Senior Vice President Commercial Airbus Industrie

Member of the Board of Management Daimler-Benz Aerospace AG Mr David Turnbull

Dr Weifgang Piller

Managing Director

Cathay Pacific Airways Limited Mr Hans Mirka Senior Vice-President, International

American Airlines Mr Val K H Eggers President, European Civil Aviation Conference (ECAC)

Commissioner for International Aviation

to the Ministry of Transport and the Civil

In association with

Aviation Administration, Denmark

Mr Jürgen Weber Chairman Lufthansa German Airlines Mr Stelios Haji-loannou

> EasyJet Airline Company Ltd Mr Jean-Marie Luton Director General

Chairman and Chief Executive Officer

European Space Agency (ESA) Mr John P Weston CBE Group Managing Director British Aerospace plc

Mr Richard J Maylam Deputy Chairman The Archer Holdings Group plc Chairman, Lloyd's Aviation Underwriters' Association (LAUA)

acar.

То	Register NOV	V fax this form	to i	us on: (+44) 171 896 2696/2697
AEROSPACE AND	COMMERCIAL AVIATION	Paris. 12 & 13 June 1997	-	PEES ARE PAYABLE IN ADVANCE PRESS send me conference decale.
Mr/Mrs/Mass/Ms	First Name		H	Please reserve one place at the rate of trace so
			_	(2220.00 plus French TVA at 29.6%)
Sunane				Please racio (ball las the conference a borry hald in France of registrates are fable to pay Franch TMI or 20,000 A Tax recept will be sent on payment of the registration fire.
Position				Cheque enclosed made payable to FT Conferences
Company/Organisate	on			Bank Transfer to: FT Conferences, Midland Bank pic, City of London Corporate Office, Account Number: 71009085 Sort Code: 40 02 50 International SWIFT Code: MIDLGB22
<u> </u>				(please quote delegate name as rollerence)
	Cay			Please charge my AMEXIMasterCard/Visa with £
Postcode	Country		Can	i rusties:
Tel	Far		Εφ	ry Date: Signature of Cardholder:
			•	NAME AND I MUST HAVE NO WELL IN US CONDICANT OF CONCENTRON DECISION DE
Type of Business				strene:
	orienton you produkt all on held or our databas as' products, and for Bell party conflicts	ne and may be used to being you recover of our,	-	electus Policy: Coccellations sums by received no veiling by Thumsley, 23 May 1987, and will be unbject accordates for prigar a manifelial delayate at clientel. After that date, the full registration for will eight, but Afters will still accordate!

2 (+44) 171 896 2626

OR Register by Post: FT Conferences, Maple House, 149 Tottenham Court Road, London W1P 9LL, UK,

The organism resorm the right to eller the Programm of any time

fombat Sim

en masse at distances of more than 500 light years seems closer to fiction than fact. But advocates for the proposed Global Astrometric Interferometer for Astrophysics (Gaia) hope

to do just that. Gaia, which is competing for \$650m (£401m) of funding from the European Space Agency, would survey 50m stars optically, fixing their exact positions, motions and parallaxes - apparent differences in position when viewed from several places.

Then it would use astrometric displacement, the gravitational shift that a planet exerts on its host star, to detect planets with a mass similar to that of Jupiter or a planet much larger than Earth from a field of 500,000 stars at an average distance of 200 parsecs, or 652 light years. It might even detect some Earth-like planets within 6 parsecs - about 20 light

Gaia's ultimate fate will not be known until 2000, when the agency must decide between it and a rival scheme called Darwin*. If Gaia proceeds, the pro-posed five-year mission would begin on the back of an Ariane 5 launcher, possibly by 2010.

From a geostationary orbit, Gaia would use either two or three Fizeau interferometers, each akin to a telescope whose primary mirror has been broken and reassembled with some

The gift of far sight

equal to that of a 4m telescope. Each comprising two pairs of 50cm mirrors about 3m apart, the interferometers would combine the light, with the colliding photons acting like merging wakes from two speedboats. The resulting interferometric image would leave Gaia with the ability to make such distant and extremely accurate measurements.

374 - Santa 48,4721

"Our primary objective is to understand what's going on with the stars within the galaxy." says Michael Perryman, an agency scientist conducting the Gaia study. "As a by-product we have a good instrument for picking up signatures of planetary systems. If the occurrence of a Jupiter-mass planet around a star has a probability of one in a 100 and we look at 500,000 stars, then we're going to pick out a few thousand."

At any given moment, Gaia's field of view would comprise 1,000 stars. The satellite would rotate at three times the speed of the minute hand of a clock, eventually covering the whole sky.

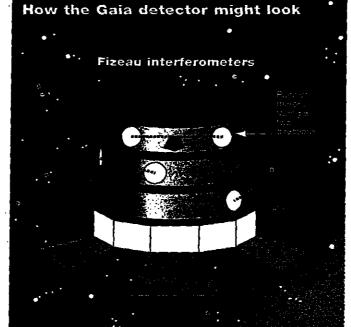
Each angle it measured would represent the distances between the stars, while shifts towards and away from a distant back-

ground star in relation to Gaia's own position would indicate a parallax and give the star's relative distance from the satellite. Gala would then measure for the sort of astrometric displacement that could signal a planet. Perryman likens the whole pro-

cess to a grand geodetic survey, in that Gaia would ultimately asure everything in respect to everything else: a star's direction, how fast it is moving through space, whether another star is circling it and whether another planet is orbiting it.

The agency aims to choose between the two proposals, although they both offer complementary forms of planetary detection. While Gaia is indirect or based on astrometrics. Darwin's is a direct method, which would use infra-red technology on a flotilla of small telescopes free-flying through deep space. In contrast, Nasa, the US space

agency, has outlined its own Origins program with both methods of planetary detection. It is proceeding with plans for a Space doing planet searches around Interferometry Mission (Sim) that 20,000 stars within 40 parsecs. is expected to be launched on an And it promises precision equal



From low Earth orbit. Sim would also use astrometric displacement to search for planets down to a few Earth masses. But the Nasa version is not a survey instrument like Gaia. It would point at every target, focusing on some 100,000 stars, including doing planet searches around

TECHNOLOGY

ness of a coin at a distance from the Earth to the Moon.

"We opted for higher accuracy and sensitivity, rather than Gaia's slightly lower accuracy. much lower sensitivity, and truly gigantic quantity of stars," says Mike Shao, Sim's project scientist at Nasa's Jet Propulsion Laboratory in California. "We'd likely look for planets in the galaxy's American Delta rocket by 2005. to that of measuring the thick- star-forming regions, around

stars in the spiral arms, and around stars in globular clusters

in the galactic halo." Even so, the technical challenges for both Sim and Gaia remain formidable. Nasa is designing and building a scaled-down version of Sim that will test inside a vacuum chamber. It says trials have shown the satellite's vibrations can be reduced to stability levels at which the optics will be accurate to within fractions of a nanometre - a thousand millionth of a metre.

Gaia is not that far along, having finished only a general feasibility assessment, although the agency plans to begin an official first-phase industrial study in

Before any of these projects get off the ground, a less ambitious approach is planned by CNES, the French space agency. It plans to launch, from Russia, a \$45m, 30cm photo-particle telescence, which observes metric telescope, which observes the full spectrum of light, by the end of 2002. From a low Earth orbit, it will survey 10,000 stars near the galactic plane at the centre of the Milky Way.

During its three-year mission. it would observe stars over 150day periods in the hope of recording a dip in their brightness. That might mark a lucky strike the signature of an orbiting Earth-mass planet close enough to the host star to cross the telescope's line of sight.

*An article on Darwin appeared

Latex allergy solution

llergic reactions to latex, the milky fluid from rubber trees, are an increasing problem among healthcare workers and others who frequently come into contact with latex products. They vary from mild skin rashes to fatal shock. Between 10 per cent and 17

per cent of US healthcare workers have latex allergies and up to 6 per cent of the US population may be latex-sensitive, says the American Academy of Allergy. Asthma, and Immunology.

Latex gloves are widely used by healthcare workers as a barrier against HIV, the virus which may lead to Aids, but others, such as police officers, food handlers and manicurist wear them too.

One solution may lie in a desert shrub called guzyle (pronounced why-you-lee). The Mexican shrub produces a natural rubber containing far fewer allergy-provoking proteins than the latex now used in some 40,000 products, but which is just as elastic and durable, says Katrina Cornish of the US Department of Agriculture.

Cornish, who developed the process to harvest the new latex and is working on ways to increase the shrub's rubber yield, says guayle does not require much water and can be grown without pesticides and herbicides.

No latex can be protein-free but guayle latex contains only six to eight proteins while the natural latex from the tropical rubber tree Hevea has between 60 and 80. In recent studies none of 65 people allergic to Hevea latex was allergic to guayle latex.

Yulex, a small US company, has licensed the process to commercialise guayle latex from the US government. Dan Swiger, president, says products such as palloon-tipped catheters may be available within three years, and latex gloves within

Mariorie Shaffer

BUSINESS FOR SALE

Manufacturing

Business Opportunity

The Joint Administrative Receivers offer for

sale the business and assets of a well known

packaging machinery manufacturer with a

For further information, interested parties

should contact David Whitehouse or Paul

Steel car design races for the finishing line

Manufacturers hope to fight off aluminium, says John Griffiths

n international consortium of 35 steelmakers Leave it is on target with a joint project to show that highstrength steel car bodies can be built up to 35 per cent lighter. yet more strongly and more cheaply, than existing models.

The consortium, including most of the world's main steelmakers, is commissioning a full economic analysis of the project by experts from Massachusetts Institute of Technology and Ibis Associates, a US consultancy.

The cost model they will construct will enable carmakers to their own cost and manufacturing assumptions, leaders of the

(Ulsab) project said at the Seoul motor show in South Korea.

They were displaying elements of the Ulsab body design, with which the steel industry intends to fight competition from the aluminium industry, to help carmakers bring into production lighter cars with improved performance and fuel economy.

Parts for the Ulsab body will be built and tested this year, with construction of complete bodies scheduled in Germany by the end of the year. The two-year, \$22m (£13.5m) project, under the control of Porsche make comparisons based on Engineering Services, is due to be completed by next spring.

Results indicate that the proj-UltraLight Steel Auto Body ect could "revolutionise car man-

main Sanz, the consortium's chairman, John Bryant, executive director of British Steel. says he is confident that the project "will enable the European automotive industry to manufacture lighter, stronger,

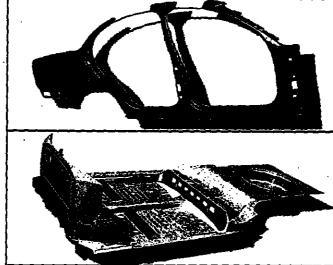
The Ulsab design is claimed to improve body rigidity by up to 132 per cent compared with existing structures used as the project's benchmarks. Some cars, such as the Porsche

Boxster, already use highstrength steels - 30 per cent in the case of the Boxster. Achievof the full Ulsab body has also required optimised computer- is the welding required.

ufacturing," according to Ger- aided design, which may require new approaches to body assem-

bly. The biggest single part of the Ulsab structure is the body side outer. Its main feature is an optimised blank layout, fully laser-welded with different gauges and grades of steel. Its cost and mass are reduced because it does not require reinforcing components.

For the Ulsah floorplan, highstrength steel is used to permit a one-piece design, making it easier to assemble and to control the dimensions. Since there are none of the usual material overing the 35 per cent weight-saving lap flanges of conventional designs, the mass is reduced - as



Light and strong: the body side outer and the one-piece floorplan

BUSINESSES FOR SALE

Clare Bellwood 0171 873 3234

Fax 0171 873 3064

Melanie Miles 0171 873 4874

EVY GEE

CONTRACTS & TENDERS THE GOVERNMENT OF THE ARGENTINE REPUBLIC

- Secretariat of Communications -

Privatisation of the concession of the services provided by the Argentine Postal Company

ENCOTESA

ENCOTESA, the Argentine state-owned company that carries out postal, financial and telegraservices, is holding for a national and international public tender for the concession of its services. son for 30 years to operate all the postal, fine The subject of the tender is a concess

rently provided by ENCOTESA and such other services as it is authorized to provide. Qualifying bidders must include technical assistance from a postal operator which must be a me

Enquiries regarding the private

Dr. Arturo Puricelli Central Post Office

2nd Floor, Presidency Secretary's Office

Messrs. Norberto Aguileiro er erico Voverd Phone: 54-1-319-4639

(1000) Buenos Aires Argentins (Phone: 54-1-312-8323. Pax: 54-1-315-1249)

Terms of Reference ("El Pliego") must be purchased for: \$50,000 (fifty thousand Argentine peace); equivalent to USS 50,000 (US dollars fifty thousand). The Central Post Office will be open to the public for the sale of the Terms of Reference and related enquiries: As from April 14, 1997, to May 2, 1997.

Monday to Friday, 10:00 a.m. to 5 p.m. Closing date for submission of Prequalification bids: 20 May 1997 at 3:00 p.m.

Closing date for submission of Financial bids: 28 July 1997 at 3:00 p.m.

Advisors to ENCOTESA:

... **I**

Coopers & Lybrand In Buenos Aires:

In London: Meers, John Dowson or Andrew Jordan - Phone 44-171-213-4823/44-171-213-1073

million.

Offered for sale, a roofing supply company with two depots based in the London area-

and an annual turnover in the region of £4-5

All enquiries should be directed to Carl

Jackson, a partner with the Administrator's

Contract TOOLROOM

Unique, latest technology toolroom for sale, producing plastic moulds, press tools and discasting dies to very close tolerances with CNC Machining using tull NC Graphics with 3D capability,

interfacing for IGES, VDA and DXF. Midiand Based. 1.4m tumover. Owner wishes to retire.

Replies to: Ballance & Lowbridge, 67 Market Street,

FOR SALE

Staffs WS12 5AD

ESTABLISHED AND PROFITABLE LONDON BASED che remiter selling an individua TREESE OF CORR and novelry gifts.

regically sind high quality o er in excess of £2.5 million p.s. rite to Bez ES189, Financial One Southwark Bridg London SEI 9ffL

WILLIAM HILLARY

Thames Valley

ESTABLISHED 18 HOLE PARKLAND GOLF COURSE

High Quality

 Elegant Clubhouse Substantial conference/banqueting facilities

Affluent location

FREEHOLD FOR SALE

Colour brochure from: WILLIAM HILLARY LEISURE & HOTELS 47 HIGH STREET, SALISBURY, WILTS SPI 2QF TEL: 01722 327101 FAX: 01722 411803

LEISURE & HOTELS

WILLIAM HILLARY

42.5 ha (105 acres)

GOLF SITE M25-SOUTH

Planning permission for 18 hole pay and play course and large clubhouse

FREEHOLD FOR SALE OR AVAILABLE TO LET

WILLIAM HILLARY LEISURE & HOTELS 47 HIGH STREET, SALISBURY, WILTS SPI ZQF TEL: 01722 327101 FAX: 01722 411803

LEISURE & HOTELS

ENVELOPE MANUFACTURER FOR SALE

We have been appointed to assist with the disposal of an envelop nanufacturing company situated in the North of England,

The principal activity of the company is the manufacture of envelopes for supplying commercial and wholesale outlets together with bespoke envelopes for greating card publishers. The anticipated results for the current triancial year are turnover of £4.2m and profits before directo remuneration and corporation tax of £426k.

if you would like further information, please apply in writing to:

Hemish A Dunlop Pannell Kerr For Corporate Finance Pannell House & Cruenn Street Leeds LS1 2TW

PANNELL KERR FORSTER

Johnson at Levy Gee, Maxdov House, 337/341 Chapel Street, Manchester M3 5.JY. Tel: 0161-835 2843. Fax: 0161-832 9405.

WILLIAM HILLARY

quality customer base.

Skilled worldorce

Principal features include:

Long established business

Annual furnover approx £1.5m

Freehold premises in Burnley

CHESTERFIELD 3 MILES MI - 5 MILES 18 HOLE GOLF COURSE. 26 BAY FLOODLIT DRIVING RANGE AND CLUBHOUSE

OFFERS IN THE REGION OF £700,000 FOR THE LONG LEASEHOLD INTEREST

Colour brochare from: WILLIAM HILLARY LEISURE & HOTELS 47 HIGH STREET, SALISBURY, WILTS SPI 2QF TEL: 01722 327101 FAX: 01722 411803

Offers required in respect of the share capital of nursing homes company with n.a.v. in excess of £3.9m and operating profits in excess of £800k consisting of 3 nursing homes totalling 111 beds plus 3 residential homes for people with past and present mental illness totalling 54 beds. Negotiations will only take place with interested parties who have proof of sufficient means for this acquisition.

Piease write in strict confidence to Box B5144, Financial Times, One Southwark Bridge, London SE1 9HL

AIRCONDITTIONING MANUFACTURING COMPANY Retirement sale provides rare opportunity to acquire rapidly growing profitable, UK market sector leader (current turnover £6 million, profits 2200K+, both set to further increase) with new products being launcied, Huge unexploited market potential offered by this modern CAD/CAM equipped, ISO 9001 approved, manufacturer occupying short lease premises.

Write to Box B5178, Financial Thurs. One Southwark Bridge, London SE19HL

WILLIAM HILLARY

Sussex

COMMERCIAL GOLF COURSE 18 HOLES, FLOODLIT RANGE

AND CLUBHOUSE FREEHOLD FOR SALE

Details from: WILLIAM HILLARY LEISURE & HOTELS 47 HIGH STREET, SALISBURY, WILTS SPI 2QF TEL: 01722 327101 FAX: 01722 411803

LEISURE & HOTELS

LIQUIDATIONS AND RECEIVERSHIPS sas gone into liquidation o sosivership, what they did and

Por turbier details.

SUCCESSFUL ENGINEERING COMPANY Toolmaking & Component Production Prestigious Site/State of the Art. Midlands Area. T/O £1m. rite to Box 85188, Financial The One Southwark Bridge

London SEL SEL

Brooking Knowles & Lawrence BKL Staple House - Staple Gardens - Winchester - Hampshin FELEPHONE #1962 844744 - FACSHALLE 01962 844744 unions of presuperous and representations of the centry on investment has by the Institute of Charlenge Accountaries in England and Wales

Self-service laundry in Genev vitzerlend, USD 150.000 Please contact, Mr. Bossard in Gene Tel: 311-81-12, or fex 310-41-59

FOR SALE:

FOR SALE POTABLESHED MIDLANDS SASED SPECIALIST LIGHTING LANUFACTURER AND STREET Good Product Range er approx. Cl mill

the to Box R5190, Pinancial Thines, O Southwest Bridge, Louden SE) 1891.

0181-875 0200 Jermyn St

for sale Write to Box B5201, ctal Tistes, One Soc

Quality Shirt Factory

Bridge, London SE1 9HL

WWW.Dybo.net/test BUSINESS SALE REPORT The No. 1 independent listing of medium to large companies for sale in the UK (T/O E1m+). New sections list major acquisitions and all UK

r • Hampshire SO23 9EJ

BING BSES WENTER

'Big bang' approach to state sell-offs

Beginning a series on Brazil's privatisations, Geoff Dyer weighs the obstacles and incentives



famously called for "50 PRIVATISATION years' prog-

in an attempt to kick-start the industrialisation of what was then a largely rural economy. Today's Brazilian govern-

ment is trying equally hard to make up for lost time. Having been slower than many of its Latin American neighbours to privatise, Brazil is attempting to push through a massive programme of sell-offs at a rapid In recent months the gov-

ernment has outlined an ambitious timetable which involves privatising most of the country's telecoms network; large parts of the electrical energy system; several of the biggest ports; thousands of miles of roads and most of the country's railway system - all by the end

That programme is scheduled to start today with the politically controversial sale of a 40-45 per cent controlling stake in Companhia Vale do Rio Doce, Latin America's biggest mining

Mr Antònio Kandir, Brazil's planning minister, will only forecast proceeds for this year of \$10bn from pri-

But according to analysts' Brazilian back-of-the-envelope calculapresident tions, the value of the assets Jusceline up for sale over the next two Kubitschek years could be over \$60bn. To give an idea of just how

ambitious this schedule is, since the start of the decade the rest of Latin America put together has received total revenues from privatisations of only \$51.1bn. according to the World Bank. Brazil itself has raised just \$13.4bn since its first privatisation in 1991.

The size of these numbers reflects the relative dominance of the Brazilian economy in the region. The state of São Paulo alone, admittedly Brazil's richest, has put up for sale an electric power network larger than that of any other Latin American country. And the sale of CVRD, the mining company, is expected to be Latin America's biggest-ever privatisation.

Over the past five years privatisations have been postponed or delayed in Brazil on countless occasions and timetables have regularly been torn up. Why should things be any different now?

For a start, the Brazilian government is facing growing economic pressures which will act as a strong incentive to privatise. The government knows that it has to cut the budget deficit. which was worth 6 per cent of gross domestic product the hard-won achievement of single-digit annual inflation.

Privatisation revenues (\$m)

Brazil Latin America 7,109 15,915 12,851 7,849 4,631 3,491 Cast Asia & Pacific 976 NW 5780 120 C. S. C. Eastern Europe and 1,304 2,783 4,341 4,151 2,879 8,987 Central Asia



Most of the railway system is to be sold by the end of 1998

Revenues from privatisation will not solve the fiscal problem, but they could give the government breathing space to push through longer term reforms to cut pub-

lic spending. The government also knows that the country's creaking infrastructure, which has been put under increasing strain by a burst of consumer spending, needs a radical overhaul if eco-

That pressure is most

acute in the electric energy sector, where rising demand has prompted warnings about potential rationing if capacity is not expanded. Analysts say that the Bra-

zilian power sector needs annual investment of \$6.4bn to keep up with demand equivalent to three large nuclear plants a year. The political environment

also gives some grounds for optimism that privatisations ment of Mr Fernando Henrique Cardoso is enjoying unprecedented popularity in the opinion polls. And it has been given a boost by the near-certain approval of a constitutional amendment allowing the president to stand for re-election. This puts it in a strong position to raise the pace of sell-offs.

owever, a successful privatisation programme depends on the state govern-ments, which own many of the assets for sale. There,

Consider the state of São Paulo, which by virtue of its economic size is an important element in the process. Like the federal government, it faces intense fiscal pres-sure: it was forced to refinance R\$44bn (US\$41.4bn) of debts last year, which has led it rhetorically to embrace privatisation.

"Our strategy is to go full steam ahead with privatisations," says Mr André Franco Montoro Filho, a former economics professor who is São Paulo's economics secretary and one of several technocrats in the administration.

However, some observers doubt the commitment of Mr Mario Covas, the state governor. Critics point out that he fought for two years to prevent Banespa, the state-owned bank, from becoming a candidate for privatisation. His willingness to push ahead with selling the state's energy companies will be an important indicator.

The fact that many of the companies for sale have long acted as outlets for political patronage will ensure continued opposition to privatisation at state level.

Privatisation still faces plenty of other obstacles. which make it likely the government will not meet all its targets. Previous sell-offs have suffered long delays because of court actions. It took the government more than two years to sell Light. the Rio de Janeiro electricity distributor, because of legal obstacles.

Postponements could also be caused by uncertainty over the future regulatory structure of the energy and telecoms sectors.

"Privatisations increase, but because of all the complications the pace will only be steady," says one foreign banker. Moreover, the sheer volume of deals being contemplated could lead to heavy congestion, bankers say.

That is why the the sale of CVRD will be such an imporsuccessful and strikes a price well above the minimum, the rest of the process will gain momentum.

Brazil's international financial reputation has been partly transformed over the last three years by the success of its anti-inflation reforms. If the government can show firm progress on privatisation, it will help remove the label of the country that promises more than

AMERICAS NEWS DIGEST

Boeing shares slip as results disappoint

Shares in Boeing, the US aerospace group, fell in early trading yesterday on the release of disappointing first-quarter profit data and a warning of lower operating margins and reduced productivity. Although earnings per share rose more than three-fold to \$1.09, compared with 35 cents last time, the figure fell to 87 cents after excluding a \$64m gain on stock held in trust for employees. Analysts had been expecting up to \$1. The group's stock fell \$31/2 to \$98% in spite of evidence of growing demand for commercial aircraft. Boeing delivered 68 passenger jets in the period, and said it expected to deliver 90 in the current quarter and reach 340 for the year,

Annual revenues were expected to climb 45 per cent to about \$33bn for the 12 months after a 70 per cent surge in the first three months to \$7.3bn, it added. Last year's first-quarter results were depressed by the hang-over from a 10-week strike.

Reflecting the company's efforts to raise output to meet reviving demand, Mr Phil Condit, group chairman, said the rapid increase in employment and demand for parts from suppliers had dented productivity rates at group plants and some suppliers' factories. He expected the problems to continue for "several months." Income had also been affected by higher research and development costs, raised taxes, increased interest costs related to the purchase of Rockwell's defence and space operations.

Robust air traffic growth and record profits in the airline industry should lead to a sharp rise in deliveries during the next two or three years, the company said. However, Mr Condit noted competition for new orders remained intense. Airline profitability had increased, but fares continued to fall, obliging carriers strictly to control their capital expenditure to maintain margins.

Boeing, which is under intense scrutiny by the European Commission's competition department as a result of its planned acquisition of McDonnell Douglas said initial filings for approval had been made in the US and Brussels. It it had received requests for supplementary information and expected the merger to go ahead during the third quarter.

In a separate development, company officials were quoted at the weekend as saying Boeing would seek the support of the US government if the EU attempted to Christopher Parkes, Los Angeles

MGM in \$573m films buy

Metro-Goldwyn-Mayer, the privately-held entertainment group, is to pay \$573m in cash for the 2,200-title film library and other Hollywood assets of Metromedia International. The expected deal is the first strategic acquisition by MGM, acquired last year for \$1.3bn by a consortium led by veteran investor Mr Kirk Kerkorian in partnership with Australia's Seven Network.

The purchase will more than double the size of MGM's library, and includes the operations of Orion Pictures. Goldwyn Entertainment and Motion Picture Corp of America plus 12 recently completed films and five direct-to-video releases.

Metromedia, controlled by billionaire Mr John Kluge, plans to concentrate on expanding its telecommunications businesses in the far east and eastern Europe, the company said. Under the agreement announced yesterday, it will have first option to air all MGM films and television programmes in its main non-US markets. The deal excludes Metromedia's US chain of 50 cinemas. Christopher Parke:

Imasco to sell Hardee's =

The fourth biggest US burger chain is about to change hands following yesterday's announcement that Canada's Imasco conglomerate has agreed to sell Hardee's Food Systems to the CKE Restaurants fast food chain for US\$327m in cash and notes. Hardee's had a 7.2 per cent share of the US burger market last year, down from 8.3 per cent the year before, according to the Chicago-based Technomic market research group

Imasco, which is 40 per cent owned by the UK's BAT Industries, is Canada's biggest cigarette company through its subsidiary, Imperial Tobacco, and another subsidiary, CT Financial Services, owns the Canada Trust group of companies. Hardee's has been suffering from acute competition and price warfare in the US burger market, typified by a current McDonald's promotion that has cut the price its Big Mac burger from around \$1.90 to 55 cents The California-based CKE Restaurants, formerly Carl

Karcher Enterprises, runs the Carl's Jr chain of fast-food restaurants, which has been doing well on the west coast by aiming for the "quality" end of the burger market. Richard Tomkins, New York

Thomsons sell Markborough Bad loans hit

This announcement appears as a matter of record only

Baring Brothers International Limited

congratulates

LE & WIRELESS

on its successful

Listing on the London

and New York Stock Exchanges

Baring Brothers acted as adviser

to Cable & Wireless and as sponsor to

Cable & Wireless Communications

on the above transaction

Buring Brothers International Limited, regulated by the SFA

COMMUNICATIONS

By Bernard Simon in Toronto

Canada's Thomson family, best known for its international publishing and travel interests, has accepted an offer for Markborough Properties, its real estate arm.

Cambridge Shopping Centres, a Toronto-based developer, has agreed to pay Thomson Corporation, their few months ago.

for Markborough, whose UK-based travel and North past 18 months, designed to portfolio includes 20 shop- American publishing busiping centres and five office

Woodbridge, the Thomsons' main investment vehicle, has a 71 per cent fully-diluted stake in Mark-

The Thomsons are also examining the future of

ing the travel operations, or spinning them off into a separate company.

Mr Henry Ciocca, Markborough chief executive, said the sale to Cambridge was the culmination of a competitive bidding process begun a

strengthen its balance sheet nesses. Options include sell- It has sold assets worth about C\$400m and reduced its debt. But Mr Ciocca said the

present capital structure was unable to support growth. The deal will boost Cambridge's assets by about 50 per cent to C\$3.5bn. The combined company will have

Mexican banks

By Leslie Crawford in Mexico City

Mexico's leading banks continue to face a difficult operating environment in 1997, with stagnant loan growth, shrinking margins and a further deterioration Oper, has agreed to pay industry them to separating its gone a shake-up over the which it will own 23m sq ft. in asset quality, according to first-quarter results reported in asset quality, according to in the past few days.

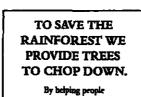
Stricter accounting practices, introduced in January, have led most banks to report a sharp increase in non-performing loans. In the first quarter, past-due loans loans at Banamex. Mexico's cent at Bancomer, the second-largest bank, in spite of the sale of a large portion of their bad mortgage portfolios to the government in

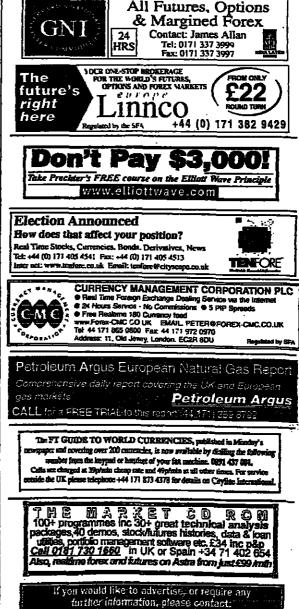
Only Serfin, the third-largest bank, reported a decline in past-due loans in the first quarter to 21.3 per cent of its total loan portfolio, from 23 per cent in the last quarter of 1996. Mexico's three leading banks account for more than half of the total assets of the banking system. Grupo Financiero Ban-

comer, the financial group which owns Bancomer. reported a net income of 349m pesos (\$44.25m) in the first quarter, against a loss of 1.87bn pesos in the same period of 1996. Most of this profit was accounted for by a one-off 538m peso gain at the group's brokerage house.

Banacci, the financial group which owns Banamex, reported a 971m peso profit in the first quarter, against totalled 20.5 per cent of total an 810m peso profit in the first quarter of 1996, largest bank, and 19.2 per although the group cautioned that results were not directly comparable due to the accounting changes that came into effect at the beginning of the year.

Serfin made no provisions against loan losses and posted a 30m peso loss in the quarter, although Grupo Financiero Serfin recorded a net income of 46m peso profit due to a 77m peso profit at





Jeremy Nelson Tel: 0171-873-3447 Fax: 0171-873-3052

April 1997

Tellord.

IN BRIEF

Boeing warns of lower margins

Boeing shares fell on the release of disappointing first-quarter profit data and a warning of lower operating margins and reduced productivity. Page 20

Chilean copper workers threaten strike Workers at Quebrada Blanca, a copper mine in northern Chile, are to go on strike from Wednes day morning unless they receive a substantially better pay offer. Page 30

Mexican banks report more bad loans Stricter accounting practices, introduced in January, have led most Mexican banks to report a sharp increase in their non-performing loans in the first quarter of 1997. Page 20

CWC valued at £4,46bn

Cable & Wireless Communications, Britain's largest combined telecoms and entertainment provider, was valued at £4.46bn (\$7.22bn) on its debut on the London stock market. Page 25

Nutreco to float in Amsterdam Nutreco Holding, the Dutch-based maker of animal feeds sold off by British Petroleum in 1994 for \$425m, is to float its shares on the Amsterdam stock exchange this summer. Page 22

Finmsccanica future to be discussed A showdown over the future of Firmeccanica is looming this week with the boards of the industrial conglomerate and of Iri, the Italian stateowned holding company which controls it, due to meet tomorrow. Page 22

Enso buys Holtzmann helding Enso, the Finnish pulp and paper group, has bought a 50.4 per cent stake in E. Holtzmann & Cie, the privately-owned German paper company, for DM605m (\$349m). Page 24

Yamaichi to close Milan office Yamaichi, Japan's fourth-largest securities house, is likely to run its European operations through London after the closure of its Milan, Berlin and Madrid offices. Page 23

Lion Nathan, the Australasian brewer, reported a 20.8 per cent fall in interim earnings to NZ\$72.2m (US\$50.1m). Page 23

Companies in this issue

GIFTE MONEY

计学的数据的

Commercia

AMG Anglo American RHW Holding BNDES Banco Icata Bouygues Bridge CKE Resaurant CVRD CWC Colonial

24 Korea First Bank 1 Leads United 22 Lion Nathar 22 MC1 20 MGM 1 Markborough Props 20 Mayer 20 Maps 20 Metromedia 24 MobileOne 4 Mommers 20 NEC Nacertune National Grid 20, 1 NationsBank

25 New World Dev News Corporation Nippon Steel 19 PLDT Paribas 23 Racal Electronics 22 Recsol 22 Ruwel-Werke DDB 19 SA Broweries Demon Internet Deutsche Benk 8 Saffife 24 Sears E. Holtzmann 8 Shisaido 23 Singapore Telecom 22 Sugano Telefónica 19 Thomson Corp GAN 8 Volvo 20 Woodbridge 19 Yamaichi Securities 20 Zheliang Express

Market Statistics Bond futures and options FT/S&P-A World Indices

34-35 FTSE Actuaries aftern indicae 36 Foreign exchange Gitts prices London share service

Hew littl bond lesues Recent Issues. UK US Interest rates

Chief price changes yesterday

http://www.FT-co

OTHE FINANCIAL TIMES LIMITED 1997

sell-off despite

\$970m deficit

exchange market. Chase Manhattan, the large US bank, has been discussing differences, which would elimmate the need for up to 95 per

eign exchange deals.
At the moment, if a bank

GAN, the state-owned French

insurance group, yesterday reported higher than expected

1996 losses of FFr5.7bn (\$970m)

but stressed that it was pursu-

ing plans for the privatisation

The losses - estimated to be

FFr5bn by the government in

February - include provisions

of FFr13.8bn to cover the

group's heavy exposure to property lending by its bank-

The figures also include a

pledge by the French state for

recapitalisation which could

exceed FFr20bn. However, this

aid is being considered by the

European competition authori-

The state has agreed to

inject FFr11bn this year,

including FFr7.1bn to recapi-

talise its UIC hanking subsid-

insurance activities up to

the bad loans placed into an

off balance sheet "defeasance"

structure, which GAN esti-

FFr9bn, although the figure

the state had agreed to support any future capital needs of UIC if GAN was unable to provide

them, and stressed that the

sale of operational businesses

could affect the value of the

acceptable regulatory levels.

of its principal activities.

ing subsidiaries.

ties in Brussels.

could be higher.

D-Mark sum in the German payment system, and may then have to wait hours before it receives the equivalent in dollars through New York's

Chips payment system. Using the contract for differtime of settlement

with preferential subscription

to be released later.

Further information is due

This month, GAN separated

principal activities: the insur-

ance arm, which has share-

holders' funds of FFr7.2bn; CIC

bank, with a book value of

FFr14.6bn; and UIC, with

negative capital of FFr6.5bn

The group said yesterday

ahead of the recardialisation.

that its insurance activities.

UIC and the assets in its defea

in the coming months.

iary, and a further FF13.9hn to the insurance business and

It will also guarantee against income up sharply to FFr1hn,

In addition, the group said losses of FFr112m, compared

mated would cost a further from FFr499m to FFr321m.

bring the resources of its J.P. Morgan for CIC.

sance structure would be sold

It said preparatory work for

the sell-off of its insurance

activities and of CIC was

SBC Warburg is advising the

GAN's core insurance activi-

ties reported net annual

compared with FFr380m last

time, although profits from its

international businesses fell

operations showed improved

CIC's profits were almost

unchanged at FFr700m

(FF1732m), and its property lending divisions made losses

of FFr5.3bn (losses

with FFr567m last time.

non-life French

state, and GAN is being

advised by Goldman Sachs for

used in other markets, such as commodities futures.

"People generally don't want a barrel of oil or pork belties delivered to their front door they want the economic effect of the transaction settled in cash. FX is no different," he

Tuesday April 29 1997

The derivative proposal is one of a number of initiatives banks have taken in response to mounting pressure from banking regulators to come up with a solution to the problem of foreign exchange settlement

small German bank, collapsed in 1974 leaving more than \$620m of trades unsettled, central hanks have worried over a possible repetition.

Last year, a report from the Bank for International Settlements in Rasle threatened to impose new rules if commercial banks did not come up with their own answer to the Herstatt problem within two

Besides overhauling their own systems for handling foreign exchange settlements, more banks have also joined multilateral netting schemes

such as Echo and Multinet, in which the gross amounts they owe each other in different correncies are totted up and offset, so that they end up paying only a much smaller net

More ambitiously, some large hanks have been working on a plan to establish a central clearing house to handle currency payments.
Foreign exchange deriva-

tives could, if widely adopted, short-circuit the need for netting systems and provide a cheaper solution to Herstatt

retail offer for Repsol on back of demand

Massive demand from small investors for shares in Repsol, the Spanish oil, gas and chemicals group, in the last stage of its privatisation has forced the government to increase the retail tranche by 20 per cent. The decision by state hold-

ing company Seni raises retail investors' share from 50 per cent to 60 per cent of the total on offer - from 12.75m to 15.8m shares - excluding shares reserved for employees

This move came ahead of the fixing of the final price for the offering, due after the close of trading in New York. The maximum price was set

last week at Pta6,327. Small investors are offered a 4 per cent discount, the same as for the previous privatisation issue which reduced the state's holding from 21 per cent to 10 per cent.

Trading in the shares is set to start today.

Retail demand was estimated to cover the initial allocation more than 40 times over, with applications worth about Pta3,590bn (\$24.9bn) according to provisional fig-

Enthusiasm for the latest Repsol shares sale is much stronger than the last offering just over a year ago, when the retail tranche was eight times oversubscribed. This is in spite of a reduction in the incentives

Sepi said the extra shares for retail investors would be deducted from the institutional tranches. However, it is expected that this shortfall will made up from the underwriters' overallotment outlon. or "greenshoe", set at 2.55m

A further 4.5m shares have and pensioners.

Global co-ordinators for the issue are Goldman Sachs, Banco Bilbao Vizcaya and San tander Investment,

The offering, involving 30m shares overall, is the sixth and final phase in the privatisation of Repsol which was begun in

The group has Banco Bilbao Vizcaya, the La Caixa savings

Chase plans new derivative system Spain lifts 'Contract for differences' could reduce forex market risks

Leading international banks are working to create a kind of financial derivative which they believe could sharply reduce the risk of a payments breakdown in the foreign

the idea of a foreign exchange derivative called a contract for cent of the \$2,400bn of payments which flow between banks each day to settle for-

ences proposed by Chase, the only money that would need to change hands would be the difference in the relative values of the two currencies between the time of the deal and the Mr Dennis Oakley, a Chase

managing director, said the sells D-Marks in exchange for principle of settling only the

GAN to pursue The recapitalisation will take the form of a rights issue its holding company from its

Cable and Wireless Communications finance director Nicholas Mearing-Smith, left, with chief executive Graham Wallace on the trading floor of Merrill Lynch as Britain's largest combined as "core" shareholders, with telecoms and entertainment provider started trading. The company was yesterday valued at 24.46hn (\$7.22hn) in London, where some 7.5m shares were traded. Report, Page 25

Picture PA

Cent.

Japanese groups join forces to boost on-line shopping

Fujitsu, Hitachi and NEC. three of Japan's largest electronics manufacturers, are setpany which could boost the market for on-line shopping in

Japan.
The company, which will provide certification services for electronic shopping, will be capitalised at Y300m (\$2.4m) and will start operations in the autumn. It is a rare step for three of Japan's competitive

tity of shoppers. Fujitsu, Hitachi and NEC will put up 50 per cent of the

capital. The rest is expected to come from banks and credit card companies.
The three companies, which control about 70 per cent of the mainframe market, hope that

by providing certification services they will spur the growth of electronic commerce in Japan, which will help them expand equipment sales. Certification systems have

already been developed by US The domestic market for companies, such as Verisign be able to place orders on-line electronic commerce is expected to reach Y600bn by 2000. the services in Japan Fujitsu, through their bank accounts.

However, the market cannot take off without a widespread means of certifying the idenJapanese commercial transactions. To enable Japanese users to conduct international commercial transactions, it a protocol developed by leading credit card companies which is expected to become the de facto international stan-

> Fujitsu, Hitachi and NEC have been collaborating on development of a certification standard since last July. When vices, electronic shoppers will

Demon Internet seeks investor

Demon Internet, standard bearer of the UK's independent Internet service provid-

ers, is up for sale. The move, which comes as other ISPs abandon the con-sumer market in favour of allow Deutsche Telekom, higher margin business cus- which owns Europe's most yet of consolidation in an Internet access market divided among about 200 competitors. ISPs are struggling against growing competition from British Telecommunications

Microsoft's MSN.

Demon, the largest ISP with 102,000 subscribers connected to the Internet, has sent a prespectus to about half a dozen possible purchasers offering a stake of up to 49 per cent in

and US online giants such as

include Deutsche Telekom of which are dependent on lease Germany, with which Demon had discussions yesterday, and Orange, the UK mobile operator. Demon is represented by Midicorp, the corpoance boutique.

T-Online and offers fast ISDN telecommunications connections in the UK, to move past BT in the dial-up Internet access market in the UK.
Mr Cliff Stanford, Demon's

managing director, said a "strategic partner" would help Demon finance a UK marketing campaign and expand into continental Europe after telecommunications liberalisation

However, Demon's move reflects growing financial Partners and other venture pressure on independent ISPs. capital investors in Demon.

telecommunications capacity which their customers dial up to the internet backbone.

Demon offers Internet month. Netcom, a US ISP which like Demon pioneered the cut-price flat monthly fee market, recently raised prices for new users from \$20 to \$25. transatiantic telecommunica-tions capacity to speed inter-net connections to the US in 1996, is on course to lose about £3m (\$4.8m) in the financial year to April 30.

The bulk of the proceeds invested. But the strategic partner would also buy out some of the shares of Apax

and the company of the company of the property of the contract
Management Buy-Out from BTR plc Led, structured and arranged by NatWest Ventures **Equity provided by** NatWest Ventures Senior debt and working capital facilities underwritten by Bank of Scotland NATWEST VENTURES

Showdown looms over Finmeccanica

By Paul Betts in Milan

A showdown over the future of Finmeccanica is looming this week, with the boards of the Italian industrial conglomerate and of Iri, the state-owned holding company which controls it, due to meet tomorrow.

The meeting follows the surprise decision of Mr Fabiano Fabiani, Finmeccanica chairman for the past 12

years, to resign from the ordinary shares falling 4.2 tions group had been man to chairman of the day. Trade unions have defence, aerospace, transport per cent to L910 and savings resolved.

| Man to chairman of the day. Trade unions have large privatised Milan bank, sided with Mr Fabiani. and high-tech conglomerate.

Mr Fabiani's sudden resignation last weekend came after a long-running power struggle, which reached a climax last week when Iri decided to reverse his strategy and shake up the lossmaking group.

The boardroom drama upset financial markets yesterday, with Finmeccanica of the Stet telecommunica-

shares by 4.8 per cent to L832.90 on the Milan bourse. Mr Luigi Fausti, who was

3.35 per cent stake in Fin- before the end of this year. meccanica, said that Iri Iri, be said, had confirmed would concentrate its efforts on Finmeccanica once the problems of the privatisation

Answering shareholders'

questions at yesterday's annual meeting in Milan, Mr yesterday appointed the new Fausti said he hoped the prochairman of Banca Commer- cess of privatising Finciale Italiana, which owns a meccanica would begin its plans to BCI a few weeks ago.

Apart from elevating Mr Fausti from deputy chair-

deputy chairman. Mr Alberto Abelli and Mr Pier Francesco Saviotti, both BCI executives, were appointed

managing directors. The cloak-and-dagger nature of the Finmeccanica-Iri boardroom upheaval continued to make waves yester

BCI also appointed Mr Gian- attacking Iri's proposal to franco Gutty, chief executive transform Finmeccanica of Assicurazioni Generali, as once again into a financial holding from the current integrated industrial hold-

> However, the final outcome will rest on the position of the government, and especially the Treasury.

> > Lex. Page 18

Nutreco heads for summer flotation

By Gordon Cramb in Amsterdam

Nutreco Holding, the Dutch-based maker of ani-mal feeds sold by British Petroleum in 1994 for \$425m, is to float on the Amsterdam stock exchange this summer in one of the market's biggest public offerings of the year.

The company, owned by venture capital institutions management. announced the plan yesterday as it reported a 13.1 per cent rise in 1996 sales to Fi 4.56bn (\$2.36bn), and a 53.9 per cent jump in net profits to F1 40.4m.

The flotation comes at least a year earlier than originally planned. Nutreco had indicated in mid-1995 that it would take between three and seven years to bring the company to

But Mr Richard van Wijnbergen, chief executive, said: "We feel that Nutreco is in good shape and ready

The size of the offering is to be determined within the next six weeks in consultation with Goldman Sachs International and Rabo Securities, which have been appointed joint global

co-ordinators for the issue. With brands such as Hendrix, Trouw and Nanta. Nutreco is the largest supplier of pre-mixed and specialty feeds in western Europe, where it also has breeding and processing activities for meat and

first-quarter performance improvement, in spite of a gather in Madrid. swipe fever outbreak in the south of the Netherlands which has affected its pig

Mr Van Wijnbergen said: "We don't see a deviation of growth this year."

The company also ranks as the world's biggest producer of salmon and trout feed, with a market share of as much as 40 per cent. Its aquaculture division accounted for 21.5 per cent of group sales but 41.9 per cent of profits last year. Nutreco supplies big fish farming markets from Nor-

The group, with some 5,500 staff, has activities in

Group figures revealed by Lego

By Hilary Barnes

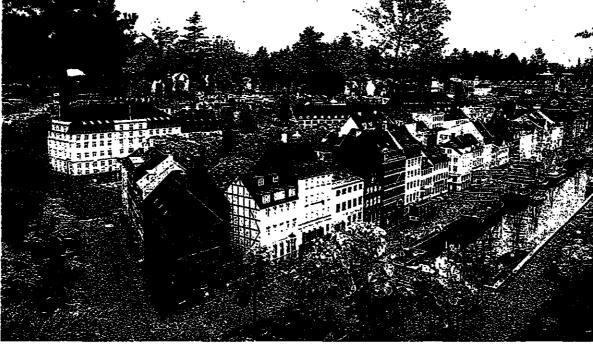
Lego, the Danish-based toys group famous for its plastic building blocks, has published group sales and profits figures for the first time. They showed that 1996 urnover rose 10.1 per cent. from DKr6.84bn in 1995 to DKr7.53bn (\$1.1bn) last year. but slower growth in net profits. Pre-tax profits at the family-owned company advanced 9.9 per cent from DKr676m to DKr699m. After tax, profits were ahead 6.3 per cent from DKr431m to DKr470m.

Mr Kjeld Kirk Kristiansen. chief executive and family head, blamed the slow profits growth on a heavy investment programme.

Lego, which expanded rapidly in the 1970s and 1980s, has struggled to maintain its growth momentum in recent years because of competition from computers and electronic games.

ment in fixed assets, to DKr1.5bn from DKr749m in 1995, as it prepared to launch a new series of toys, including a range of digital products. However, Mr Kristiansen yesterday stressed Lego bricks would remain at the heart of the company for the foreseeable future.

"Earnings are not satisfacfinance the operation and pre-tax profit for 1995 was per cent in 1995. Sales in The group is currently car-



The company last year almost doubled its invest- Building transparency: the Danish-based toys group published group sales and profits figures for the first time | Impact Photos

believe to be right and necessary," he said.

The group, which is contwo Swiss parent companies. lished figures for the Danish operations. The Swiss side 58.8 per cent. added about DKr1.7bn to the tory in the light of our DKr5.21bn sales figures pub-

were DKr239m.

Last year's profits represented a return on assets of trolled by two Danish and 6.9 per cent and a return on equity of 7.9 per cent; the has previously only pub- ratio of equity capital to assets was an impressive

Sales to retailers and distributors rose 4 per cent, France, Italy, Sweden and long-term objective to self- lished in 1995. The published compared with a decline of 2 Switzerland.

investments which we DKr413m and net profits North America increased by 26 per cent, but in Japan and cost-curbing prosales fell by 20 per cent. In Europe as a whole sales were up 1 per cent in a total market for toys which shrank by 3-6 per cent, Lego said. Sales were ahead in the UK, eastern Europe and Rus-

rying out a restructuring gramme, which is on target to cut costs by 10-15 per cent over the two years to the end of 1997, it said.

Last year saw the highly successful opening of the Legoland park at Windsor in sia, but fell in Germany, the UK, which is to be followed by the opening of a similar park at Carlsbad in

tions from potential buyers

for the second operator

The alliance said vester-

Telefónica seeking a quick divorce

The company said that its | Concert venture, which Retevision.

Lawyers are negotiating the "divorce settlement" between the Spanish company and its jilted former partners in Unisource, the alliance of smaller European telecom operators.

In spite of the upheaval to global telecom agreements caused by Telefónica's defection, the two estranged parties said yesterday the meetings had started on a "friendly and constructive"

Analysts said both sides could be anxious to achieve a rapid separation because Telefónica wants to develop its links with Concert, while Unisource, a link-up of the pany," the European alliance corporations, including Unisource was unable to national carriers of The said. "Obviously there is Iberia, the national airline; express a formal interest in

understood to be the future not.'

valued at Pta65bn (\$453m), clause.

"We know Telefónica it said.

last year when it joined the cent of them are our clients.

we are concerned it is a 100 ica employees and its users

per cent Unisource com- include several big Spanish

which the Spanish group

incorporated into Unisource

wants TTD back, but as far

The fallout of Telefon-Netherlands, Sweden and room for negotiation on TTD Repsol, the energy group; Retevision when applicaica's switch earlier Switzerland, wants to bid for and we cannot at this stage BBV, the retail bank which L this month to the Spain's second operator, say whether a penalty clause is one of Telefónica's core groups British Telecom and The main obstacle to an lateral withdrawal from Uni- the main domestic insurance is still legally linked to Tele-

showed a continuing MCI, of the US, has begun to amicable separation is source] can be executed or group.

Unisource alliance is the future ownership of TTD,

a data transmission company valued at Pta65bn

"TTD is worth what its cli-

ents are worth and 80 per

They will go where we go,"

TTD is staffed by Telefon-

[because of Telefonica's uni-shareholders; and Mapfre, closed last week, because it

Telefónica said yesterday whether it has more to gain

Unisource has to weigh

ownership of Telefónica Telefónica said yesterday whether it has more to gain Transmission de Datos, a it was acting on the basis from suing to retain part of

entering the contest to com-

pete, via Retevisión, with its

Retevision, the state-

owned TV signals company,

is to be privatised before the

summer and will start deliv-

ering fixed-telephony ser-

Unisource was unable to

vices later this year.

former partner.

day it was nevertheless exploring the possibility of joining a consortium, formed by AT&T of the US and Ger-The main obstacle to an amicable separation from the

many's Mannesmann, which is likely to bid for Retevision. Unisource is AT&T's mainstream partner in European ventures. data transmission company that there was no penalty Telefónica's assets, or from

Retevisión has also attracted the interest of Global One, which groups France Telecom, Deutsche Telekom and Sprint, of the US, and of Italy's Stet.

The government will announce today which operators have been pre-selected to offer formal bids for the second operator.

Tom Burns

EUROPEAN NEWS DIGEST

Pension funds sue Den Danske Bank

Four Danish pension funds are to sue Den Danske Bank for losses sustained when they subscribed to a DKr1.5hn (\$274m) share issue from the Hafnia insurance group in 1992 Four months after the issue, Hafnia filed for bankruptcy and shareholders lost their money.

The pension funds are also claiming compensation from Paribas, the French bank, and the Copenhagen stockbrokers Bjornskov, who shared responsibility with DDB for the Hafnia issue. The Hafnia group, at that time Denmark's second-largest insurance group, fell foul of the financial markets when Hafnia Holding, the parent company, bought heavily into its domestic rival, Baltica (which itself had to be rescued by DDB in 1993) and into Scandia, the Swedish insurance company.

A dramatic drop in the price of the shares in these two companies wiped out Hafnia's equity in the summer of 1992. Hamia's operational insurance companies were subsequently taken over by Codan, the Danish insurance company controlled by Royal Sun Alliance of the UK.

Hilary Barnes, Copenhagen

Hampel to head Creditanstalt Mr Erich Hampel, 46, head of Austria's state-owned Post Office savings bank, is today expected to be made chief executive of Creditanstalt, Austria's second-higgest bank. He replaces Mr Guido Schmidt-Chiari, 64, who has headed the bank since 1988 and is stepping down following Bank Austria's acquisition of majority control.

Mr Hampel's appointment follows weeks of uncertainty about Creditanstalt's new management team. Mr Alarich Fenyves, 52, head of Creditanstalt's international division, is believed to be the only member of Creditanstalt's six-man board to continue in the office.

Strong start for BHW issue

Shares in BHW Holding, the German building finance group, rose yesterday on the first day of trading of the group's new DM1.4bn equity issue - the largest in Germany this year. However, analysts gave the issue a lukewarm reception, with many expecting the share price to make little headway in coming weeks. The share offer price was fixed at DM26, but shares rose to about DM28 in trading yesterday.

"The company has presented itself as a growth stock but the growth is already in the share price," said one analyst. Mr Dieter Hein, banking analyst at BHF Bank in Frankfurt, said: "BHW has defined its ambitions to be number one in such a narrow industry area that this has no meaning. I think the offer was overpriced and I expect the share price to fall after a short while."

Graham Bowley, Frankfurt

Deutsche Bank launches fund

Deutsche Bank, Germany's biggest, has launched a DM25m (\$20.2m) fund to give young, innovative technology companies access to new capital. Deutsche said the fund was the first of its kind in Germany. Deutsche Bank said the fund - which would be increased to DM45m if it proved successful - was its attempt at helping German small and medium-sized companies.

Last month Germany's new stock market segment for young, innovative companies - the Neuer Markt - began trading but so far only two companies are listed on it.

SAB to build plant in Kenya

South African Breweries, the world's fourth-largest, is expanding its network of African interests to Kenya by building a \$45m browery at Thika, near Nairobi. The new nt will challenge Kenya Breweries, the domina national brewer, in which Guiness has a 21 per cent interest and the Kenyan government 20 per cent.

The Thika brewery is a joint venture between SAB, which will take an interest of 55 per cent, and Donyo Sabuk Holdings, a consortium of Kenyan entrepreneurs which will hold 30 per cent. FMO, a Dutch Development Agency, will hold the balance of shares in the new Mark Ashurst, Johannesburg

Volvo targets eastern Europe

Volvo, the Swedish motor manufacturer, plans to expand its service network for trucks across central Europe and the former Soviet Union in an attempt to lift sales in the area. Mr Tommy Rengman, head of Volvo Truck's Europe division, said the company was looking to countries such as Poland, where it already has an assembly plant, and the former Soviet Union to improve its results in the face of a weakening markets in western Europe.

Volvo's truck sales in Europe fell 22 per cent in this year's first quarter. Christopher Bobinski, Warsa

LEHMAN BROTHERS

is pleased to announce the following advancements to Managing Director:

Jeffrey M. Applegate John H. Augustine Kim Barrett Steven L. Berkenfeld Pablo E. Calderini John C. Cook Claudio Comali Daniel J. Donovan Tony Durrant Alberto Maria Finali David Goldfarb David M. Harris Mark W. Howard

Thomas P. Humphrey James H. Kase James W. Merli M. Antonia Paterno-Castello David N. Sherr Stephen M. Taran Karen A. Ubelhart Kentaro Umezaki Christian G. Wait John D. Wakely Gregory C. White Mark L. Zusy

April 1997

LEHMAN BROTHERS

Notice of Early Redemption Den norske flank

Den porske Bank ASA U.S. \$26,960,000 usted Floating Rate Notes due 2992 (de "Koter")

Notice is bereby given in accordance with Condition 6(b) of the Notes, that the Bank will redeem all the Notes at their principal arisonn on the next Interest Payment Date, 6th June, 1997 (the "Relevant Date" (as defined in Condition

Payments in respect of principal and uncerest will be stade upon presentation and surrender of the Notes together with and surrender of the Notes together war all manustured coupons appertuishing thereto at the offices of the Paying Agen issed below. Such payments will be made by transfer to a United States dollar account maintained by the payer with, or by United States dollar chaque drawn on. by United States dollar cheque drawn on, a bank in New York City. Unmatured Campons relating to such Notes (whether or not attached) shall become wold and no by not accepted a parall decounts would and an payment shall be used to respect thereof. Notes and Coupons will become wide trailess presented for payment within ten and five years respectively from the Relevant Date.

Union Beak of Swit 198 Liverpool Street Leadon EC2M 2RR as Principal Paying Agent 29th April, 1997



BUSINESSES FOR SALE

+44 0171 873 4874

Deutsche Bank Aktiengesellschaft



Final maturity of the warrants attaching to the participatory certificates with warrants of 1992 issued by Deutsche Bank AG

Frankfurt am Main

Pursuant to the Conditions of Warrants, the option rights conferred by the above warrants may be exercised until June 30, 1997 inclusive. Since, however, the period between the last day of deposit (May 12, 1997) and the third banking day after the general meeting is expected, the option rights cannot be exercised in the period from May 13 to May 22, 1997 inclusive. The warrants are not valid after

Warrantholders may, until the subscription period ends, exercise their subscription rights for Deutsche Bank AG shares pursuant to the Conditions of Warrants. As the share capital of Deutsche Bank AG has been entirely redenominated in shares of par value DM 5 each, ten shares of par value DM 5 each will be issued instead of one share of par value DM 50 whenever subscription rights for a minimum of five warrants are exercised. The subscription price is DM 610 per 10 shares of par value DM 5 each. The shares are entitled to the full dividend for the current financial year 1997.

To exercise subscription rights, the warrantholder must file with Deutsche Bank AG, Frankfurt am Main (as warrant agent), through a receiving agent, written notice of exercise on a form available from the receiving agents. Notice of exercise

When notice of exercise is filed, the subscription price must be paid and the warrants presented with receipts A to H still attached. Notice of exercise is effective only if the subscription price and the warrants have been received by Deutsche Bank AG, Frankfurt am Main, by Monday, June 30, 1997 at the latest.

Warrantholders wishing to exercise their subscription rights are requested to contact their depositary banks, from which the necessary forms may also be obtained, as soon as possible. For legal reasons, notice of exercise received after the above date cannot be accepted.

in accordance with stock exchange practice, the warrants will be traded and officially quoted on the German stock exchanges for the last time on June 23, 1997. Frankfurt am Main, April 1997

The Board of Managing Directors

Your Key Investment Bankers.



The Financiers' Financier...



In the distribute

A technical suppoint s

Boolaunner of the 95D250 million



Debt: Thailand

Bookronner of the USD200 million subordinated Hoating rate note ratio due 2006 foi Kryng Their



M&A Advisory: UK

Restructuring to change provident status and establishment of niduole) diw nictias mich Healthcare in the UK



Debt: Australia

Arranger of the DLM350 million oraband issue due 1999.



M&A Advisory: Brazil

canomico to Banco Excel



Equity: Japan

Joint bookunner of the JPY210 billion mandatorily convertible

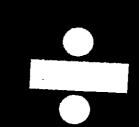


Annuger of the USDS00 million £MIN programme



binictioning of sectoral equity linked

and index linked equity products





Debt: Japan

tarily exchangeable subordinat ed notes, exchangeable into cammon stock for Sumitomo Bank



M&A: Australia/Singapore

Adviser on the acquisition of an additional 20° shareholding in MMI of Australia, and MMI's organisition of a 20% stake in Allianz Insurance (Singapore)



Equity: Korea

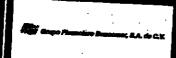
Joint spansor, lead minager and bookrunner of the HKD750 million initial public affering of 75 million ordinary shares for Kwong On Bank



Advisory: Australia/UK

Adviser on the group's denotualisation in Australia and estructuring in the UK





M&A Advisory: Mexico

oint venture with Actna Life and



Debt: UK

Booksunner of three issues totalling GBP500 million of subordinated debt, maturing 2006-20 for Lloyds ISB



Equity: Italy

Co global coordinator and bookrunner of the 111,440 billion international institutional offering



Debt: Switzerland

Bookrunner of the USD732 million global convertible offering





ommercial paper programme or Northern Rock Building Society



M&A Advisory: UK

acquisition of the outstanding nonly interest by Lloyds 158.



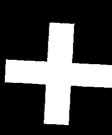
Debt: Mexico

Lead manager of a USD 100 mil lion race of remittances backed edificates for Banco Infernacional



Equity: Norway

Global coordinator and booleum ner on the secondary sale of 19%. of the Government's steke in Den



Making it happen in Financial Institutions.

NOTICE OF EARLY REDEMPTION

TELECOM ARGENTINA STET-FRANCE TELECOM S.A. U.S.\$200,000,000 9.00% Bonds Due 1997

Telecom Argentina Stet-France Telecom S.A. (the "Company") hereby notifies holders of the Company's 9.00% Bonds Due 1997 (the "Bonds") issued pursuant to an indenture dated as of August 4, 1992 among the Company and First Trust of New York, National Association, as successor Trustee to Morgan Guaranty Trust Company of New York, as Trustee thereunder (the "Indenture"), of its election to redeem the Bonds on May 22, 1997 (the "Redemption Date") pursuant to paragraph 3(c) of the Terms of the Bonds. Under the circumstances set forth herein, a holder of Bonds may elect not to surrender such Bonds for redemption. The Bonds clear through Euroclear and CEDEL under Common Code No. 3894665 (for Beater Bonds) and 3894690 (for Registered Bonds) and through DTC (CUSIP no. 879273AA8). The ISIN numbers are XS0038946652 (for Beater Bonds) and US879273AA88 (for Registered Bonds). Any capitalized terms used but not defined in this notice shall have the meanings assigned in the Indenture.

The Company's election to redeem the Bonds follows the catestant are the treatmings assigned in the Internet.

The Company's election to redeem the Bonds follows the catestant in Argentina of Federal Act 24.587 on November 21, 1995 (O.G. November 22, 1995) (as implemented by Decree 259/96 issued on March 18, 1996 (the "Act")). The Act provides, among other things, that outstanding bearer securities issued by Argentine companies shall be converted into registered form securities, and that failure to effect such conversion prior to May 22. 1996, will result in the imposition of additional taxes on payments of interest conversion prior to May 22. 1996, will result in the imposition of anotitonal taxes on payments of interest and other amounts pnyable with respect to the Bonds, and the suspension of the existing exemption from withholding taxes in respect to interest paid on Bearer Bonds. Pursuant to Decree 547/96, the effective date of the Act with respect to the Bonds has been delayed until May 23, 1997. The Company has delivered to the Trustee a certificate of the Company and an opinion of an Independent auditor of the Company certifying that the Company would be obligated to pay Additional Amounts due to a change in Argentine tax laws, the text of which certificate and opinion are set forth below. Accordingly, the conditions precedent to a redemption of the Bonds have occurred. Holders of Bonds may elect not to surrender such Bonds for to a redemption of the Bonos rave occurred. Holders of Bonos hay elect not to state the such Bonos for redemption on the condition that (a) the Republic of Argentina (or any political subdivision thereof or therein having the authority to tax or grant relief from tax obligations) shall have taken a final action which shall result in the Act ceasing to be in effect with respect to the Bonds (whether by abrogation, extension or other relief) which has been notified to the holders in the manner contemplated by the Indenture and (b) the holder of Bonds shall, prior to 5 p.m., Eastern Standard Time on May 20, 1997, provide the Company and First Trust of New York, National Association, Trustee under the Indenture, with a written notice in the form requested by the Company, which form shall be delivered to the Trustee by the Company to be available upon request by the holders, to the effect that such holder waives its right to redeem and will not surrender such Bonds for redemption, but rather will hold such Bonds to their stated maturity (an "Election

to Hold").

On the Redemption Date, the Bonds will be paid as specified herein:
In accordance with the terms of the Indenture, the redemption price shall be 100% per U.S.\$1,000 principal amount of Bonds, representing the principal amount of the Bonds, together with accrued interest to the Redemption Date in the amount of U.S.\$27 per U.S.\$1,000 principal amount of Bonds. On and after the Redemption Date interest on the Bonds shall cease to accrue, other than with respect to any such Bonds as to which the holder has made an Election to Hold, which Bonds shall continue to accrue interest to stated

Payment of the Registered Bonds will be made at the office of First Trust of New York, National Association, 100 Wall Street. New York, New York 10005, as successor Trustee or, in the case of Bearer Bonds, at the offices of Morgan Guaranty Trust Company of New York, Avenue des Art 35, B-1040 Brussels, Morgan Guaranty Trust Company of New York, P.O. Box 161, 60 Victoria Embankment, London EC4Y OJP, Banque Paribas Luxembourg, 10A Boulevard Royal, L-2093 Luxembourg, Swiss Bank Curporation, 1 Aeschenivorstadt, CH-4002 Bask or Banco Rio de la Plaza, 25 de Mayo 140, 1st Basement Trust. (Titles Dept.), Buenes Aires, Argentina, the Company's paying and transfer agents outside the United

Payment of the Bonds will be made upon presentation and surrender of the Bonds to be redeemed, together (in the case of a Bearer Bond) with all Coupons maturing on August 4, 1997. Bearer Bonds must be presented for redemption together with all unmatured Coupons failing which the amount of any missing unmatured Coupons will be deducted from the sum due for payment. All unpaid interest installments represented by Coupons which shall have matured on or prior to the Redemption Date shall continue to be payable to the holders of such Coupons, and the amount payable to the holders of Bearer Bonds presented for redemption shall not include such unpaid installments of interest unless Coupons representing such installments shall accompany the Bonds presented for redemption.

IMPORTANT NOTICE
Under the Interest and Dividend Compliance Act of 1983 as amended by the Energy Policy Act of 1992. 31% will be withheld if tax identification number is not properly certified with respect to payment of Registered Bonds made by a paying agent in the United States.

CERTIFICATE OF TELECOM ARGENTINA STET-FRANCE TELECOM S.A.

First Trust of New York. National Association, as Trustee 100 Wall Street New York, New York 10005

Ladies and Gentlemen:

Pursuant to the provisions of Section 11.2 of the Indenture (the "Indenture") dated as of August 4, 1992 between Telecom Argentina Stet-France Telecom S.A. (the "Company") and First Trust of New York, National Association, as successor Trustee to Morgan Guaranty Trust Company of New York, as Trustee thereunder, relating to U.S. \$200,000,000 aggregate principal amount of the Company's 9,00% Bonds Due 1997 (the "Bonds"), and pursuant to paragraph 3(c) of the Terms of the Bonds, in connection with the Company's election to redeem the Bonds, the Company bereby confirms to you that the Company's obligation to pay Additional Amounts on the Bonds as required by Federal Act 24.587 of the Republic of Argentina cannot be avoided by the Company taking reasonable measures

Any capitalized terms used but not defined in this notice shall have the meanings assigned in the Indenture.

Very truly yours,

TELECOM ARGENTINA STET-FRANCE TELECOM S.A.

By: Isl Juan Carlos Masican

Bv: /s/ Giorgio Ribona

Title: Vice-Chairman of the Board of Directors

OPINION OF PRICE WATERHOUSE & CO.

Buenos Aires, April 4, 1997

To the President and Directors of Felecom Argentina Stet-France Telecom S.A. Mainú 1710 - 9th fluor

To First Trust of New York National Association, as Trustee 100 Walt Street New York, New York 10005

Dear Sirv

In accordance with your request, and in our capacity as independent auditors of Telecom Argentina Stet-France Telecom S.A. ("the Company"), we have analyzed the impact on the Company of the terms of Law No. 24,587 and its regulatory decree in relation to the issue of Corporate Bonds for US\$ 200,000,000 due 1997 ("the Bonds"), in the form of individual

Our work has been based on the interpretation of Law No. 24.587 and its regulatory decree, and on a review of Section 3(a) of the Terms and Conditions of the Bonds. On the basis of the work performed we are of the opinion that the Company shall be required to pay additional amounts in accordance with the penalties laid down by Law No. 24,587 and its regulatory decree.

Yours truly.

PRICE WATERHOUSE & CO.

By: /s/ Juan Carlos Grassi Certified Public Accountant

Questions concerning the redemption of the Bonds can be directed to the Trustee, attention of Helen Chin at (212) 361-2531, or to the Company, attention of Elvira E. Lazzati at (541) 968-3604 or (541) 968-

Royal & Sun Alliance Small Shareholders

wish to announce an extraordinary Pre AGM meeting to be held on 6th May at 11 am.

USD 100,000,000 KANSALLIS OSAKE PANKKI

Subordinated Floating Rate Notes due July 1997 interest Fate 6 09375% Interest Penod April 28, 1997 July 28, 1997 Interest Amount due on July 28, 1997 per

USD 10,000 USD 154.04 USD 250,000 USD 3,850.91 BANQUE GÉNÉRALE DU LUXEMBOURG

Republic of Poland

U.S.\$137,556,000 Due 2009

New Money Bonds
In connection with the 1994 Francing Proposite of Republic of Poland
Notice is hereby given that the Robe of Interest for the Interest Pariod
April 29, 1997 to October 29, 1997 has been fixed at 6.9375% and
that the interest poychle on the relevant Interest Payment Date October
29 1997 for the first interest poriod will be US\$3.5.27 in respect of
US\$1,000 nominal of the Bonds.

April 29 1007 1----

ry Calibarak N.A. (Comporato Agency & Trust), Agent Basik CITIBANCO

Agent Bank

USD 372 000 000 SUBORDINATED FLOATING RATE NOTES DUE 1998 ISIN CODE : GB0048179064 For the period April 25, 1997 to been fixed at 6.6125 % P.A.

Next payment date: October 27, 1997 Coupon ar: 19 Amount: USD 33 980.90 for the ng of USD 1 000 000 THE PRINCIPAL PAYING ACENT

THE ROYAL BANK OF CANADA

U.S. \$350,000,000 Floating flate

Deberrures dun 2005

in accordance with the Terms and

Conditions of the Debentures, the Conditions of the Debentures, trial interest rate for the period 30th April, 1997 to 30th May, 1997 has been fixed at 5.75% per annum. On 30th May, 1997 impress of U.S. \$4,791667 per U.S. \$1,000 nominal

amount of the Debentures will be due for payment. The rate of interest

for the period commencing 30th May, 1997 will be determined on

OF CANADA

May, 1997 will be unasimum 29th May, 1997. Agent Bankand Principal Paying Agent

SOCIETE GENERALE BANK & TRUST S.A.-LUXEMBOUR

COMPANIES AND FINANCE: EUROPE

Enso buys Holtzmann holding

By Greg McIvor in Stockholm

Enso, the Finnish pulp and paper group, has bought a 50.4 per cent stake in E. Holtzmann & Cie, the privately-owned German paper company, for DM605m (\$349m).

The deal marks a further step in a restructuring of the European forestry industry in which the large through acquisitions in continental Europe.

plier of publication papers, measured by production capacity, after are used mainly in newspapers and magazines.

Holtzmann, based in Karlsruhe, produces about 700,000 tonnes a year of newsprint, uncoated magazine paper and wallpaper base. It made operating profits of DM193m last year on sales of DM818m.

Enso said it would increase its Nordic producers have sought to interest in Holtzmann by 39 per cent cement strong market positions next year and eventually to 100 per cent, taking the total value of the acquisition to about DM1.2bn.

building size and concentrating on three product segments: publication the grade. The European market dipped FM1 to FM2.50 in Helsinki paper, fine paper and packaging.

Sweden's Stora. Publication papers Europe's top three groups in each investment analyst at Arctos Securi-

they will only want to deal with not already been bought.

would be an important addition to said. the group's portfolio." Mr Hāmālā Sin said. "The big publishers want a full palette of grades."

The addition of Holtzmann raises Mr Jukka Hāmālā, Enso chief Mr Hāmālā said that the acquisi-executive, said the group would tion fitted with Enso's strategy of tonnes, consolidating its position as FM25.7bn last year. amounts to about 9bn tonnes a year.

UPM-Kymmene, of Finland, and Enso's goal was to be one of Mr Jukka Huuskonen, senior ties in Helsinki, said Holtzmann was "If you produce a paper grade you one of the few interesting continenhave to be a major player. As publishers are getting bigger and bigger, via's big forestry groups which had

"It makes a perfect fit, as Enso ts arge suppliers," he said.

"It makes a perfect fit, as this is already a major newsprint manufacture already a major newsprint manufacture already a major newsprint manufacture." Mr. Hunskonen uncoated magazine paper capacity turer in Germany," Mr Huuskonen

Since 1994 Enso has operated a newsprint mill near Leipzig with annual capacity of 280,000 tonnes. Enso made pre-tax profits of

Black gold investors revise plans

JCI deal seen as the last of the 'megadeals' aimed at economic empowerment

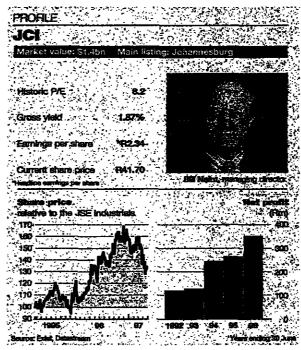
American's control-ling stake in JCI, the world's sixth-largest gold producer, to African Mining Group, a consortium of black investors, has been radically revised following this year's sharp drop in the Johannesburg gold index.

Saflife, a local institution controlled by a consortium led by JCI's new chairman, Mr Mzi Khumalo, will acquire 30 percentage points of the 34.9 per cent stake sold to AMG last November. Saflife has announced a R2.4bn (\$539m) rights issue to fund the acquisition, which will transform it from financial services group to a mining-based conglom-

The market has reacted nervously to the prospect of Saflife raising almost 90 per cent of the capital to create South Africa's first blackcontrolled mining house. Saflife shares lost R4.75, or almost 20 per cent, to close at R19.75 following the announcement early this month. Last last week they were trading at R19.60.

The reaction reflects the suspicions of many Johannesburg financiers that JCI is likely to be the last in a series of recent "megadeals" designed to promote black economic empowerment. The new funding arrange-

that envisaged in November, when AMG offered R29bn, or R54.50 a share, for Anglo's



originally stipulated that no financial circles. Many of South Africa's biggest instisingle member of the consortium would hold more than tutions which were one-fifth of the total stake. approached by AMG mem-However, the drop in the bers chose not to support the Johannesburg gold index deal, and were subsequently has thwarted their attempts criticised by Mr Khumalo of to finance the deal outside adopting "a short-term Saflife. JCI shares dropped approach" to investing in 20 cents on Friday to close at black business.

RA1.70. In January. Thebe investments, a leading member of chase price – which included AMG, abandoned the bid and ment is far removed from a 10 per cent premium to the consortium subsequently failed to raise the cash by November - and JCI's cur- the first deadline of Februrent share price has divided any 28. This was subsestake in JCI. The buyers opinion in Johannesburg quently extended to May 26, one-year option on these

has since been fully undertions. "International support for the big black empowerment deal is much stronger than domestic support - and that has surprised all of us," says Mr Alexander Wilmot-Sitwell, executive director of corporate finance at SBC Warburg, which advised

'n lieu of a direct stake in JCI at this stage, other AMG members will receive shares in Saflife, which will be pooled with Mr Khumalo's consortium. The enlarged voting pool will hold 50.1 per cent of Saflife, and will include the investment arms of the National Union of Mineworkers and the South African Clothing and Textile Workers Union, whose representatives are likely to join the JCI board.

The terms of the current voting pool dictate that all decisions made by the voting pool must be unanimous. "AMG's interest in Saflife will be comparable in terms of influence [to a direct stake in JCI, but not in terms of size," one AMG insider says.

Contrary to an announcement in February that Saflife would acquire the full 34.9 per cent of JCI, Anglo has said the balance of 4.9 per cent will be made available directly to other members of the consortium. A

and the Saflife rights issue shares had been granted to

written by a syndicate of local and foreign institutions will provide financing for AMG members to participate in the Saflife rights issue, nor how much

they will take up. But Mr Stephen Koseff, managing director of Investec, an investment bank with a 12.5 per cent stake in Saflife, says "more than half" the underwriters money will come from local institutions - including Investec, Board of Executors. and Southern Life, a subsidiary of Anglo. The largest foreign investor is SBC Warburg, which will guarantee R700m, almost 30 per cent, of the R2.4hn issue.

These institutions are counting on JCI to emulate Gencor, South Africa's second-largest mining house. and Randgold, which have eliminated the discount to net asset value in their share prices. Mr Koseff expects "a fundamental reorganisation at JCI to unlock the full value of its 71m oz gold deposit at Western Areas mine, the biggest payable

gold reserve in the world. But with a stagnant bullion market and persistent productivity problems at South African mines. Mr Khumalo's next battle will be to win the confidence of investors, who have traditionally undervalued Johannesburg gold stocks relative

Mark Ashurst

Profit fall at SCA steeper than forecast

By Greg McIvor

SCA. Sweden's largest forestry group, disappointed investors yesterday with a quarter last year. steeper than expected decline in first-quarter profits in spite of strong demand. Pre-tax profits fell from SKr1bn to SKr894m and earnings per share dipped

lower than average market Like all Scandinavia's big pulp and paper groups, SCA has suffered from narrowing margins in the past year as prices of key paper grades

from SKr3.07 to SKr2.62,

have headed down. Mr Sverker Martin-Löf, SCA chief executive, said prices of printing papers and fine papers had stabilised, while price increases had been announced for liner the main ingredient of pack-

But he warned that pressure was building on prices in hygiene products - the group's biggest division, with 45 per cent of sales. Demand was expected to remain strong but costs of raw materials, notably wood

pulp and recycled paper, would also rise Leading European and North American suppliers improvement on the fourth recently announced an quarter last year - the secincrease in pulp prices from \$520 a tonne to \$580, starting higher profitability.

next month. In graphic paper, operat

to SKr167.50. Operating

NOTICE TO BONDHOLDERS

KINPO ELECTRONICS, INC.

(Incorporated as a Company Ltd. by shares in Taiwan, R.O.C.)

US\$44,000,000

3% Bonds Due 2001

SKrl.lbn, including a SKr125m one-off gain. SCA booked a SKr250m nonrecurring gain in the first

JCI's market value in

The operating margin shrank from 8.6 per cent to 7.9 per cent, although the hygiene products division lifted its margin from 8 per cent to 11 per cent. Group turnover SKr14.2bn, against

SKr14.7bn. Operating profits in hygiene products rose from SKr519m to SKr686m, outstripping growth in sales

from SKr6.2bn to SKr6.5bn. Volumes rose 11 per cent and prices slipped 5 per cent as raw materials prices fell. SCA said growth was favourable in incontinence and feminine hygiene products, helped by low raw material costs. Tissue vol-

umes rose to 180,000 tonnes Packaging sales fell 12 per cent to SKr3.3bn. Lower prices of corrugated packaging and liner triggered a sharp fall in earnings despite lower raw material costs.

Operating profits in packaging slid from SKr418m to SKr193m, although this represented a 17 per cent ond consecutive quarter of

SCA's most-traded A ing profits dipped from shares closed down SKr4.50 SKr222m to SKr65m on sales up from SKr3.9bn to profits SKr4.2bn.

telecoms partnerships with a number of international groups. Last year, it expected to include nonjoined forces with Stet, the Bouygues, the French construction group, yester-Italian group, to challenge day confirmed it was in talks for a share of the French

Bouygues in talks on

By David Owen in Paris

with Lyonnaise des Eaux, market. the French utilities and compossible telecommunications nartnerships. Bouygues

phone network, although the activity so far accounts for relatively little of its annual des Eaux is hoping to take to diversify into telecoms through its extensive cable network.

Mr Martin Bouygues, possible telecoms ventures the jobs are completed.

Earlier this year, however, munications group, about Bouygues suffered a setback help develop its telecoms network. Separately, the company

methods to bring them into advantage of liberalisation line with international stan- FFr1bn dards. The change would mean the company included profits from individual construction projects as work company was in talks on rather than all at once when

recurring profits of FFr500m in 1997 - similar to last year. when they accounted for a high proportion of overall profits of FFr654m.

• Paribas, the French when SNCF, the French financial group, yesterday state-owned railway, chose confirmed it had sold its 3.5 operates the telecoms operation of per cent stake in Havas, the France's third mobile tele- rival Générale des Eaux to communications group. AP-Dow Jones reports from Paris.

relatively little of its annual turnover of more than said it was considering a been a "gradual process".

Change in its accounting Press reports said Paribas sold its stake for about

The sale has raised speculation that that other minority shareholders may sell their stakes. These include chairman, also revealed the on the sites progresses, the state-owned Caisse des Depots et Consignations and France Telecom.

MERCURY SELECTED TRUST (SICAV)

Postal address: B.P. 1058, L-1010 Luxembourg NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

The Annual General Meeting of Shareholders of Mercury Sterling Trust ("the Company") will be held at its registered office at 6D, route de Trèves, L-2633 Senningberg at 11.00 am on 15th May 1997 for the purpose of considering and voting upon the following matters.

To accept the Directors' and Auditors' reports and adopt the financial statements for the year ended 31st December 1996.

To declare such dividends for the year ended 31st December 1996 as may be recommended by the Board in accordance with the dividend policy of the Company and to fix their date

To discharge the Directors from their responsibilities for all actions taken within their mandate during the year ended 31st December 1996 and to approve their remuneration

 To re-elect Mr P Stormouth Darling, Mr J Reimnitz, Mr Z O H M Baron van Hövell and Mr F Tesch and to ratify the co-optation of Mr S B Cohen, Mr D Ferguson, Mr F P Le Feuvre, Mr V McAviney and Mr B Stone as Directors. To discharge the Auditors from their responsibilities for all actions taken within their mandate during the year ended 31st December 1996.

6. To re-elect the Auditors.

7. To decide on any other business which may properly come before the Meeting.

Resolutions on the Agenda may be passed without a quorum, by a simple majority of the votes cast thereon at the Meeting. Voting Arrangen

The holders of bearer shares must deposit their shares nor later than 7th May 1997 either at the registered office of the Company, or with any bank or financial institution acceptable to the Company, and the relative deposit receipt (which may be obtained from the registered office of the Company) must be forwarded to the registered office of the Company to arrive nor later than 13th May 1997. The Shares so deposited will remain blocked until the day after the Meeting or any adjournment thereof. Shareholders who cannot attend the Meeting in person are invited to send a duly completed and signed proxy form to the registered office of the Company to arrive not later than 13th May 1997. Proxy forms for use by registered shareholders are included with the annual report and can also be obtained from the registered office. A person appointed a proxy need not be a holder of shares in the Company; lodging of a proxy form will not prevent a shareholder from attending the Meeting if he decides to do so.

29th April 1997

The Board of Directors

RECISTERED OFFICE: 6D ROUTE DE TRÈVES L-2633, LUXEMBOURG.

posal to s

13

hiel

lepart.

Walson Hall Language

攤 39 提出话 人切 法款款

COMPANIES AND FINANCE: ASIA-PACIFIC

European operations may be run from London as brokerage posts Y165bn loss

Yamaichi to close Milan office

By Gillian Tett in Tokyo

Yamaichi, Japan's fourthlargest securities house, is likely to run its European operations through London after the closure, announced yesterday, of its Milan unit and two offices in Berlin and

The retrenchment came as the group unveiled a large loss for last year, because of a fall in operating profits

ingapore's government

in the local telecommunica-

But what many thought

would be a nibble out of the

monopoly of Singapore Tele-

communications has in fact

torn a hole in one of Asia's

biggest companies. The

plunge in its share price has

since it lost its monopoly in

local mobile telephone and

problem has been MobileOne

(M1), a consortium partly

owned by Cable and Wire-

less, the UK telecoms com-

35,000 mobile subscribers, or

about 10 per cent of the mar-

ket, since competition began.

of any other telecoms com-

pany which has broken into

a market so quickly any-

where in the world," says Mr

Neil Montefiore, MobileOne

chief executive. He forecasts a total market share of

between 30 per cent and 50

per cent by 2000, and says

that M1 will have between

80,000 and 100,000 subscrib-

But more surprising than

M1's quick start was that it

came at the expense of one

of the world's largest telecoms companies, which is

more than 82 per cent owned

Temasek, and which had

ample time for preparation.

on the wrong foot," one local

By Terry Hall in Wellington

Mr Douglas Myers, chief

shrinking market.

ers by the end of the year.

"We can't find an example

pany, and Honekon

pager markets.

never intended that the

advent of competition the revenues that MI is win-

tions market from April I biggest corporation has dis-would herald the end of played a lack of market

wiped about S\$9bn since the only consortium to (US\$6.25bn) off SingTel's have announced its interest

market value in the 27 days so far promises to be one of

ager markets. groups Concert (a merger of The main source of its British Telecommunications

com. M1 announced that it Power, the island's state-

had captured more than owned electricity supplier.

by the Singapore govern- of urgency in its search. The

ment holding company, company-is-being-enriched

He says the reason that not always successfully. It

SingTel's share price is fall-ing - it dropped 13 cents to stake in Belgacom, the Bel-

an all-time low of S\$2.38 yes- gian national telephone com-

Lion Nathan, the Austra- 53.9 per cent to 54.4 per cent,

lasian brewer, yesterday but overall consumption had

reported a 20.8 per cent fall dropped sharply because of

in interim earnings to poor summer weather, cam-

NZ\$72.2m (US\$50.1m) as beer paigns against drink-driving

sales fell and competition and increased discretionary

stabilising in Australia. The breweries in China would

company also hoped to increase earnings from next

strengthen its position in year, when the NZ\$200m New Zealand, where it had brewery in Suzhou is

Mr Myers said Lion had NZ\$1.34bn, while operating

executive, was optimistic forms of gambling.
that the beer market was He said the con-

been gaining share in a complete.

"David has caught Gollath its monopoly.

savvy.

at a subsidiary. group posted a net loss of Y164.8bn (\$1.3bn), compared with a profit of Y15.9bn the

per share of Y136,31. As with other Japanese securities houses, the main factor in Yamaichi's decline was a surge in provisions for

A wake-up call for

Singapore Telecom

investors are concerned over

ning, but that the island's

Some investors believe

this does not augur well for

the opening of the island's

fixed-line business to compe-

tition from April 2000 - the

date was brought forward

seven years - especially

the world's most formidable

competitors. The consortium

and MCI, of the US) and Nin-

pon Telegraph and Tele-

phone with two powerful

local companies, Singapore

government officials against "predatory

pricing" before M1's launch

may have lulled investors

into a belief that competition

would not be too bruising,

analysts say. But SingTel

has trimmed its prices twice

since M1's launch; last week

it announced cuts of up to 20

per cent on mobile charge

rates to prevent it from los-

Tel is actively looking for

opportunities to enter over-

seas markets, especially in the Asia-Pacific region. Ans-

lysts say that competition at

home may reinforce a sense

by a cash compensation of

S\$1.5bn for the early loss of

SingTel has already

Lion Nathan tumbles 21%

spending following the open-

ing of new casinos and other

He said the company's

Revenue fell 3 per cent to

It is well known that Sing-

ing market share.

epeated appeals by

terday - is not so much that pany. The acquisition is

lysts say.

expected to contribute to

SingTel's profits this year

but earnings are likely to be

hit after 1998, when freer telecoms competition is

introduced in Europe, ana-

SingTel is believed to be

losing money with Globe

Telecom, a joint venture

with Ayala in the Philip-

pines, and in India it is pull-

ing out of a joint venture.

SingTel executives have also

recently cooled toward

investing in China - where

they have obvious cultural

and linguistic synergies - in

order to await regulatory

they are drifting," one ana-

lyst in Singapore says. "It is

difficult to discern a coher-

Others disagree. They say

SingTel has the luxury of

time: it has three years

before it loses its fixed-line

monopoly and it is set on

reducing its international

direct dial rates to competi-

In the meantime, however,

it can continue to benefit

from relatively large margins while competitors

in Europe and the US suffer

from intense price competi-

tion. Most analysts still

believe that SingTel can pull

off a double-digit increase in

earnings this year, despite

MI's unexpected inroads. In

the year to March 31 1996,

SingTel made a pre-tax profit

of S\$1.96bn on a turnover of

reaction, this [selling of

SingTel's stock) is well over-

done," says Mr Neil Juggins,

analyst at Paribas Capital

Markets in Singapore. "The

company is no slouch at

and it has got three more

operations showed a loss of

NZ\$5.7m on sales of

Australian earnings before

tax fell from A\$137.6m to

A\$123.8m on sales of

A\$792.8m. New Zealand earn-

ings before tax fell from

NZ\$68.3m to NZ\$60.1m on

sales down from NZ\$314.6m

to NZ\$309.5m. Lion Nathan continued to

show a deficit on its fran-

chise to market and sell

Pepsi Cola products. Losses

climbed from NZ\$2.6m to

James Kynge

years to prepare."

"As a short-term knee-jerk

S\$4bn.

invested heavily abroad, but delivering quality services

increased its share of the earnings fell from NZ\$211m New Zealand market from to NZ\$181.5m. Chinese

N7\$3.9m

NZ\$5.2m.

tive levels before that date.

ent global strategy.

"They appear a little as if

changes in that market.

to a subsidiary, Yamaichi Finance. However, even In the year to March, the before exceptionals, pre-tax profit fell from Y15.1bn to Y1.2bn. Operating income fell from Y13.9hn to Y1.5hn, year before. This left a loss while revenues fell 6 per cent to Y210.8bn.

The weak results - which contrast with a rise in operating profits at Nomura. Japan's largest securities bad loans. It wrote off group - are likely to fuel Yl50bn of support provided unease about Yamaichi's

longer-term strategy, ana-Japan's securities business will face growing competi-tion as a result of planned financial deregulation, including the abolition of fixed commissions next

Yamaichi's brokerage commissions fell 8 per cent last year, to Y60bn. The group said it was now trying to expand into investment

rose 26 per cent to Y46.9bn. ducting an internal examina-tion following revelations that Nomura had made illegal payments to a company related to corporate extortionists. The Ministry of Finance is investigating the big four securities companies, though it has not for mally accused any of them

ASIA-PACIFIC NEWS DIGEST

Colonial's public offer closes early

Colonial, the Australian insurance and banking group which is in the final throes of demotualisation, yesterday closed off its public offer for shares four days early, saying demand had already been very heavy. It also announced that a separate institutional offer and the listing date for the company's stock would be brought forward by one week. The institutional offer will now take place between May 7 and May 9, and the company's shares will list on the stock exchange on May 12.

Mr Peter Smedley, managing director, said: "Demand from those who have already applied could not be satisfied to any reasonable extent if the offer were to remain open." The public offer was at a fixed price of A\$2.60 a share, while institutions are being asked to bid in an indicative range of A\$2.50 to A\$2.90. The company is likely to be capitalised at around A\$2bn (US\$1.55bn).

Shell Australia declines

Post-tax profits at Shell Australia, part of the international oil group, fell to A\$277m (US\$215.1m) in 1996, down from A\$399m the previous year, after a loss at its coal operations and weak results from its oil products division.

The main upstream oil and gas division saw an improved result, earning A\$232m after tax but before financing costs, compared with A\$157m previously. Shell said the result reflected higher oil and LNG prices, which were only partly offset by lower production of oil, condensate and LPG, and the higher Australian dollar.

PLDT static after charge

Philippine Long Distance Telephone Company, the country's largest telecoms operator, yesterday announced static first-quarter profits of 1.28hm pesos (\$49m) after taking an extraordinary 252m peso redundancy charge. Earnings per share slipped from 9.2 pesos to 8.8 pesos. Revenues increased from 6.57bn pesos to 7.37bn pesos.

Zhejiang seeks HK listing

Zhejiang Expressway, the latest Chinese enterprise pushing for a Hong Kong listing, is planning to raise up to HK\$3bn (US\$387m). The initial public offering for the toll-road operator is expected to start next week, with

trading in the shares scheduled for May 15. The H-share issue – as the stock of a Hong Kong-listed Chinese enterprise is called - comes amid strong demand for mainland-linked shares. Louise Lucas, Hong Kong

First-time tax hits Nagariuna

Nagarjuna Fertilisers & Chemicals, one of India's largest producers of urea, announced a 42.47 per cent fall in net profits for the year to end-March, to Rs1.55hn (\$43m), because of a first-time provision for tax, a decline in other income and a rise in expenditure. Nevertheless, it plans to

maintain its annual dividend at Rs1.8 a share. Sales rose 4.36 per cent to Rs9.23bn, but other income fell 67 per cent to Rs274.1m. Expenditure was up 6.2 per cent to Rs5.46hn. Interest cost rose from Rs1.24bn to Rs1.43bn. Tax claimed Rs298.6m, compared with nothing in the previous year. Kunal Bose, Calcutta

New World bids for Siu-Fung

New World Development, the Hong Kong-based property conglomerate, has submitted a bid to take a majority stake in Siu-Fung Ceramics Holdings. Trading has been suspended since October in the shares of the troubled ceramics company, which has debts of more than HK\$3bn

New World already has ceramics interests through Companion Building Materials and stakes in two ceramic tile factories in China. It is looking to expand into building materials in China. Siu-Fung's main assets are its 31 factories in China, all bar two for ceramics.

Evergreen Marine flat

Evergreen Marine, flagship of Taiwan's Evergreen group, one of the world's largest containerised shipping concerns, reported flat results for 1996 amid difficult market conditions. Not profits edged up from T\$3.17bn to T\$3.22bn (US\$1.17m) in 1995, buoyed by subsidiaries, especially EVA Airways, the carrier in which Evergreen Marine has about a 25 per cent stake.

Pre-tax profits fell from T\$3.93bn to T\$3.86bn. Revenues slid from T\$31.43bn to T\$31.26bn. Net earnings per share fell from T\$2.28 to T\$2.07. Analysts said long-haul container rates fell worldwide

in 1996, especially on the trans-Pacific routes, because of

an increase in supply and little rise in demand. The aggressive expansion of independent carriers contributed The advent of limited direct shipping routes across the

Taiwan strait last week - partially ending a ban dating from 1949 - will help Evergreen Marine. In the longer term, China will be an increasingly important market for the group, which is well positioned to capture anticipated rises in export volume.

Evergreen Marine has container terminal investments in Shanghai, Ningbo and Qingdao, and recently announced it would take a position in an inland container depot in Shenzhen.

COMPAÑÍA GENERAL DE COMBUSTIBLES S.A.

U.S.\$50,000,000 8.5 per cent. Notes due 1999

NOTICE IS REREBY GIVEN that a meeting (the "Meeting" of the holders (the "Noteholders") of the U.S.\$0,000,000 S.5%.
Notes due 1898 ("the Notes") of Compania General de Combustibles S.A. (the "Jesuer") will be held at Avenda Alicia Moresu de Justo 400, (1007) Beenes Aires, Argentina on 12th May, 1997 at 200 p.m. (Beenes Aires time). The Meeting will be held to consider and, if appropriate, to pass a resolution which will be proposed as an Ordinary Resolution in accordance with the provisions scheduled to the final agency agreement relating to the Notes dated 22nd February, 1994 (the "Final Agency Agreement") scheduled to the lieuter, Banque Purthes Loncenbourg as fined agent and principal paying agent (the "Final Agency") and Banque Parthes (Parist, Swize Bank Gerporation (Basie), The Bank of New York S.A. (Busnes Aires) and Morgan Genranty Trust Company of New York (Brunyels) as paying agents (together, with the Final Agent, the "Paying Agenta").

**Resolverstand to the Resourchetian.

Background to the Resolution.

Pursuant to a duly-convened meeting held on 17th March, 1997, the shareholders of the Issuar approved, subject to the adoption by the Notcholders of the proposed resolution, the transfer of all of the laster's assets related to the refining and marketing of petroleum products and other minor series not associated with oil and gas activity (the "Assets") to a newly-created company to be established by the Issuar's shareholders, including the parent-company, Sociedad Conserval de Pista S.A. ("SCP"). The Assets consist of all of the Issuar's shareholding interests in the following: Compatibles Argentinas S.A., Compatita Argentina de Solventes S.A., Compatita General de Combostibles Int. Corp., Condec S.A., Destricts Argentinas de Petroleo Lubricantes S.A., EgS S.A., EgS S.A. fallow S.A., Cas Anstral S.A., Gestrader S.A., Interpetrol S.A., Parsina del Pista S.A., Petroleo S.A., Refineria de San Lovento S.A. and Salado Vicjo S.A., along with the Issuar's right to operate certain service stations under the EgS S.A. franches. The Issuer has elacted to transfer the Assets in order to from one over activities and to strengthen its marketability for the purposes of conducting a private or public offering of its shares of common stock at some future time.

The Deed of Guarantee will, however, allow the Guaranter and SCP to rescind, upon five days' notice to the Notsholders' justice to be published for one day), the guarantee contained therein if, at any time, (i) through the consummation of a private or public offering of the Issuer's stock, an irrevocable capital contribution or otherwise, the Issuer's consolidated net worth after giving effect to the transfer of the Assets used to give effect to the transfer of the Assets used in the Issuer's consolidated act worth reported its list become; 1996 (as adjusted to give effect to the transfer of the Assets user's ratio of rotal consolidated listilities to consolidated not worth is less than 1:1. The Issuer's consolidated not worth and total consolidated listilities, for purposes of determining whether or not the conditions for reschains of the guarantees contained in the Deed of Guarantee have stricen, will be determined by reference to the Issuer's most recent published consolidated financial statements prepared in secondance with generally accepted accounting principles as applied in Argentina ("A-GAAP"). The Issuer's consolidated net worth reported at Sixt December, 1986 under A-GAAP after giving effect to the transfer of the Assets was approximately Pesse 1049 million.

The issuer shall further seek the Notsholdens' acceptance of the additional benefit of SCP's obligation under the Deed of Guarantee to become jointly and severally liable for the obligations of the Guarantee the Deed of Guarantee if any of the Assets or proceeds from the sale thereof are transferred to SCP (by marger, dividend or otherwise). In addition, the issuer shall neak the Notsholders' consent to the accuracy assumption by SCP of all obligations contained in the Deed of Guarantee if all of the Assets or all of the proceeds from the sale thereof are transferred to SCP by merger (meinting merger of the Guarantee into SCP).

The Proposed Resolution

The Ordinary Resolution to be proposed at the Meeting will be in the following form:

"That this meeting (the "Meeting") of the holders (the "Noteholders") of the U.S.\$50,000,000 S.p% Notes due 1999 (the "Notes") of Competia General de Combustibles S.A. (the "Laurer") hereby:

"Notes") of Compatia General de Combonibles S.A. (the "Inster") hereby:
resolves that the transfer by the Issuer of all or substantially all of its assets related to the refining and markstaing of
petroleum products and other minor associated with all and gas activity (comprising all of its abareholding interests
in Combonibles Argentines S.A., Compatia Argentina de Solvantes S.A., Compatia General de Combonibles Int. Corp.,
Comder S.A., Destileria Argentina de Petroleo B.A., Destileria Argentina de Petroleo Lubricantes S.A., Egi
san is inversy warver,
see as inversy warver,
see such the Deed of Guarantee to be executed by the Guaranter and SCP in substantially the form which was
made available to Noteholders at the specified offices of the Paying Agents as of 24th April, 1997 until the date of the Meeting;
scopts (a) the additional benefit of SCP's obligation under the Deed of Guarantee to become jointly and severally liable for
the obligations of the Guaranter under the Deed of Guarantee, if any of the Assets or proceeds from the sale thereof are
transferred to SCP (by merger, divided or otherwise) and (b) the excinative assumption by SCP of all obligations contained in
the Deed of Guarantee, if all of the Assets or all of the proceeds from the sale thereof are transferred to SCP by merger
(including merger of the Guaranter into SCP), dividend or otherwise; and

Inciding merger of the Guarantor into SCP), dividend or otherwise; and notes that the Deed of Guarantoe permits the Guarantor and SCP to reseind, upon five days' notice to the Noteholders (such notice to be published for one day), the guarantees contained therein if, at my time, (i) through the consummation of a private or public offering of the Issuer's stock, an irrevocable expiral contribution or otherwise, the Issuer's consolidated net worth reported at Sixt December, 1986 (as adjusted to give effect to the transfer of the Assert) and (ii) the issuer's reported at Sixt December, 1986 (as adjusted to give effect to the transfer of the Assert) and (ii) the issuer's ratio of total consolidated liabilities to consolidated net worth is less than 1.1. The Issuer's consolidated net worth and total consolidated liabilities, for purposes of determining whether or not the contitions for receivates of the guarantees contained in the Deed of Guarantee have arisen, will be determined by reference to the Issuer's most recent published consolidated financial authorized accounting principles as applied in Argentins."

Notice and Congresse

Notice and Quorum The laster hereby gives both the first and second notices (as required by Condition 11(a) (Meetings of Noteholders, Notice and Quorum) of the Terms and Conditions of the Notes) of the Meeting and, if a quorum is not present within one hour from the time fixed, its continuation. The quorum initially required for the Meeting is two or more persons holding Notes or voting certificates or being proxies and holding or representing 15% in principal amount of the Notes for the time being outstanding. If within one hour from the time fixed for the Meeting a quorum is not present their the Meeting may not less than 25% in principal amount of the Notes for the time being outstanding.

Voting and Attendance

The Inser will demand a poil at the Meeting, with the consequence that the Ordinary Resolution to be proposed at the Meeting will be passed if carried by the affirmative vote of Noteholders of at least a majority in the aggregate principal amount of the Notes present or represented at the Meeting, provided, however, that such decision shall be approved by the Noteholders of not less than 25% of the aggregate principal amount of the Notes then contaming. A Noteholder wishing to vote at the Meeting municipal amount of the Notes or (ii) appoint a proxy by means of a block voting instruction. A Noteholder may obtain a voting certificate from a Paying Agent or require a Paying Agent to tense a block voting instruction. A Noteholder may obtain a voting certificate from a Paying Agent not later than 48 hours before the time fixed for the Meeting. Voting certificates and block voting instructions shall be valid until the relevant Notes are released pursuant to the terms set first in Schedule 3 to the Press Agency Agreement and, until then, the holder of a voting certificate or tas the case may be) the proxy named in a block voting instruction shall, for all purposes in connection with any meeting of Noteholders, he deemed to be the holder of the Notes to which that voting certificate or block voting instruction relates and the Paying Agent with which (or to the order of which) such Notes have been deposited shall be deemed for such purposes not to be the holder of the Notes.

The Fiscal Agency Ag Copies of the Fiscal Agency Agreement and of the form of the Deed of Guarantee are available for inspection by the Note at the specified offices of the Paying Agents at each of their addresses set furth below. Fiscal Agent and Principal Paying Agent

The Bank of New York S.A. 26 de Mayo 199 1002 Buenos Aires Swiss Bank Corporation

Given by: The Board of Directors of Compatits General de Combustibles S.A.

oarsnty Trust Compar 35 Avenue den Art B-1060 Brossela

April 1997

Noteholders with any questions regarding this notice are advised to contact Banque Parlles Luxembourg, attn: Dept. Opés de Marché, at the address fixted above, or the laster at its offices located at Alicia Moreau de Justo 400, (1107) Buenou Argentina.

Dated 24th April, 1997.

VEBA Kraftwerke Ruhr AG, Gelsenkirchen,

acting through its 100% subsidiary WWB Wasserwerks-Beteiligungs GrubH, Gelsenkirchen,

has made a public offer (obligatory offer) to buy the shares of

Geisenwasser AG

Gelsenkirchen

under the take over rules of the German Stock Exchange Expert Comittee (Börsensachverständigenkommission).

We have acted as advisor to VEBA Kraftwerke Ruhr AG/ WWB Wasserwerks Beteiligungs GmbH in this transaction pursuant to article 6 of the take over rules.



Akzo Nobel has received notices under the Dutch Major Holdings in Listed Companies Disclosure Act [Wet Melding Zeggenschap). For particulars of these notices, please apply to Akzo Nobel investor Relations,

Amhem, April 29, 1997 Akzo Nobel N.V.

CHEDITANISTALT nstaft-Bankverek Period from April 29, 1997 to October 29, 1997 to October 29, 1997 to October 29, 1997 to October 29, 1997 to Description of 6,9252242 per attractor. The numbers payable on October 29, 1997 per U.S.\$1,000, U.S. \$10,000 and U.S. \$100,000 principal attractor of Number will be U.S. \$4134, U.S. \$422,42 and U.S. \$4334,30 respectively. Dr. To the Shinks but

OCHASI

U.S. \$75,000,000

BANQUE NATIONALE DE PARIS UST 250,889,008, ficating rate due 1997 Applicable interest rate for the interest period from 28,04,97 up to 28.07.97 as deter mined by the reference agent is 6,09376 per cent per annum namely per bond of USD 100.000,-

Republic of Poland U.S.\$2,970,214,000 Due 2024 In connection with the 1994 Promoting Proposed of the Resultic of Poland
Notice is hereby given that the Rate of Interest for the Interest Period
April 29, 1997 to October 29, 1997 has been found at 6,937% and
that the interest payable on the relevant Interest Period
29, 1997 for the interest period will be US\$35,27 in respect of
US\$1,000 nominal of the Bends. April 29, 1997, London by Cilibank, N.A. (Corporate Aguscy & Treat, Agust Book CITIBANCO

Velperweg 76, NL-6824 BM Arnhem.

General Electric Capital Corporation Italian Line 150,000,000,000 9.25% Notes Due May 18, 2004 NOTICE IS HEREBY GIVEN that to accordance with Section 6 of the Fistal and Paying Agency Agreement hereaus General Electric Capital Corporation (the "Company") and Benkers Instr. Company, London Bousch, artistolagent, and the terrate and examination of the short-described Norse (the "Notes"), the Company has elected to redeem all of the commanding Notes on Fay 18, 1997 (the "Resemption Date.") at 100% of their principal amount sugerlar with account instruct, if Aug. so the Resemption Date. Instruce on the Notes shall come in accrue from and after the Resemption Date. The places of payments are as follows:

THE BUSINESS OF FOOTBALL

New wealth has transformed Britain's top clubs, although lower down the ladder most still struggle financially. And there are questions over the sport's love affair with the stock market. Patrick Harverson reports

Route to riches for fortunate few

1990s has been nothing short of remarkable.

At the end of the 1980s, the mired in permanent decline. dogged by international footballing failure, poor quality domestic leagues, dwindling violent fans, and decrepit - the public. sometimes dangerous - sta-

Yet, in the past seven years, many of the soccer stadiums have been modernised and made safe, the hooliganism problem has been tackled, the crowds bave been lured back by the Premiership, one of the most exciting and glamorous leagues in world football, and the national team has been made competitive again. The sport has even become fashionable in a way not seen since the 1960s and the heyday of George Best.

Success on the field has bred success off it, and the game's transformation has been matched by a revolution in the business of football. For the first time in more than a century of professionalism, the biggest clubs have the potential to generate consistent profits £1.25bn, a figure that for their owners.

sponsorship, advertising, market is included. chib merchandise, corporate Two factors span hospitality and gate receipts have dramatically altered the economics of the game. While some of the new

transfer fees remain a substantial cost, for the top clubs the prospects for profnational sport appeared its growth look good, partic-mired in permanent decline, ularly if the introduction of pay-per-view (PPV) programming on digital television due near the turn of the cen-

> The growing prosperity of football's elite has attracted the attention of corporate. institutional and wealthy private investors. It was their new-found interest in the sport less than two years ago that created the foundations for perhaps the most extraordinary recent development in the business of football - the rush of football clubs to join the stock market in the last 18 months.

Since 1996, the number of clubs listed on the market has jumped from five -Tottenham Hotspur, Millwall. Manchester United, Celtic and Preston North End were the pioneers - to 15, a figure that will climb this year as more clubs prepare to float. The sector's combined market capitalisation today stands at about roughly doubles if the value Rising income from the of the bigger clubs whose sale of television rights, shares are traded outside the

> Two factors sparked the rush of clubs to the market. The clubs needed money to fund the redevelopment of

The renaissance of British back to the players in the professional football in the form of higher wages, and investors were happy to and investors were happy to game's future riches. Rising revenues, particularly from television, and an improvement in the quality of busigame, helped persuade insticrowds, a small hardcore of tury - proves popular with tutional and private investors that some clubs were potentially profitable enter-

> Also, clubs floated because their businessmen owners saw an opportunity to cash in on football's popularity within the City of London Only a few have sold out completely, but most owners have been happy to maintain significant stakes in their clubs while enjoying the dramatic appreciation in the value of their equity hold-

However, football's love affair with the stock market relationship has been rocked in the last three months by a sharp fall in football club share prices amid profit-taking by professional investors, a deterioration in some clubs' playing performances. and a growing realisation munity that shares had been pushed far too high on unrealistic assumptions of future profits growth, particularly

from pay-per-view television. In spite of these setbacks, football is now well-established as a stock market sector in its own right. Nor do their stadiums, the purchase investors just see football as of players and the growth of part of the burgeoning lei- found riches have so far



sure industry. They also been confined primarily to small-sized clabs the ecoregard buying shares in many of the bigger clubs as an investment in the media industry. A stake in a top club affords the opportunity to share in the income generated from the increasingly valuable broadcasting rights that the clubs own either collectively or individually.

tion of football as a business has not been achieved at every level of the professional game. Anything but, in fact, for football's new-

However, the transforma-

the big clubs in the Premier League. The trickle-down do not add up, Revenues, effect, whereby rising from television rights sales. income at the top should have enriched clubs throughout the lower leagues, has not happened.

Most clubs are chronically unprofitable, a large number remain heavily in debt, and a sizeable minority would go out of business were it not for sympathetic bankers, indulgent deep-pocketed owners and loyal, if long-suf-

have climbed, but not nearly but can be volatile because they remain closely tied to performance, and merchan-

outside the Premiership. Most importantly, changes in transfer patterns dictated by the "Bosman" ruling in the European Court of Jus-- which allowed out-ofcontract players to move to clubs in other countries

dising is a modest business

clubs to buy fewer young tic clubs and more older The result has been a

reduction in the flow of income to the lower leagues that for so long has been a financial lifeline for smaller clubs. And while they are being deprived of a vital source of funds, many smaller clubs remain tempted to invest substantially in transfer fees and higher wages for better players in the hope of gaining promotion to a higher diviGoalp Goalp

The result is most clubs lose money, and such is the parlous state of football's finances outside the Premiership that the English Football League has commissioned the accountants Deloitte & Touche to draw up options for a radical restructuring of the the three lower divisions.

Among the possible suggestions are a return to geographically-based divisions that would cut down on clubs' travelling costs. increase the number of lucrative local "derbies", and an encouragement of closer financial and footballing ties between the top clubs and those lower down the leagues. While many in football oppose the idea of small clubs becoming "feeder teams" for the Premiership elite, such alliances are clearly the shape of the - Tuture. -

The growing gap between the haves and have nots is also troubling football in Scotland. There, clubs in the Premier Division – long dominated unhealthily by the Glasgow glants, Celtic and Rangers - and in the three lower divisions realise. like their counterparts in England, that they need to find a way to ensure the big-ger clubs can benefit more from their popular appeal without jeopardising the existence of their smaller

hrethren.

Amid the changes reshap-ing football's landscape, the sport faces many trials: how to cope with the continuing aftershocks of the Bosman ruling; how to handle the introduction of pay-per-view television; how to manage the creation of a European super league without threatening the vibrancy of the

domestic leagues. Yet it is the issue of how the bigger clubs can congrowth as businesses sharing their new-found wealth more equitably to protect the grass-roots of the game that remains arguably

TELEVISION • by Patrick Harverson

Cosy relationship will be tested

Clubs themselves may eventually hold control of match broadcasting

lt has always been evident that football needs television and television needs football. For football, television is Sports' coverage of the emerge with the upper hand. English Premier League has proved what an effective

reach; for pay-to-view

like no other programming. However, in the next few years the nature of the relationship will almost certainly change, and football and television will find out which needs the other the most. Most media and legal experts believe that eventually football, in the form of the sport's shop window, and the largest and most powerin the last five years Sky ful clubs in Europe, will

For the moment, however, football is beholden to the shop window it can be. For broadcasters, and with good television, football attracts reason. In Britain, the hunlarge audiences and viewers dreds of millions of pounds the advertisers want to invested in football by Sky has enriched many clubs broadcasters like Sky, the beyond their wildest dreams. has been introduced. This

the Premier League in 1992,

the top clubs earned well under film a year from the sale of broadcasting rights. Under the terms of the league's new four-year deal with Sky, starting with the next season in August, an average mid-table Premiership club will earn about £8m a year from domestic broadcasting rights. Clubs that do well in top European competition could ultimately double that figure.

The growth in television revenues should accelerate further once pay-per-view (PPV) coverage of football using new digital technology

tap directly into demand for their games.

questions about PPV unanswered - how much will the service cost viewers? how will the broadcaster share the revenues with the clubs? and how will the clubs share their income among themselves? - predicting future revenues is difficult.

Forecasts compiled by UBS, the London securities house, estimate that by 2000 the top Premier League clubs will be earning an extra £9m a year from PPV, and those lower down the table about £3m a year more than at present. By 2002, UBS believes those totals will jump to about £17m and £5.5m extra a year for the top and bottom clubs respec-

Moreover, if, as looks likely, games in European club competition are to be broadcast on a PPV basis, the most successful clubs could be earning even more than that from PPV television by the turn of the cen-

However, forecasts of what clubs will earn from future broadcasting deals could oon become irrelevant if the courts intervene to rewrite the rules on television rights ownership. The long-standing system whereby football broadcasting rights are owned and sold by the football league organisations on behalf of their member-clubs is now under legal challenge

throughout Europe. In the Netherlands last year, the Feyenoord club took the Dutch league to can only be to the benefit of court over the sale of televithe big clubs. However, sion rights to its and other clubs' games to a new broadcaster. Although the court did not decide the issue outright, it favoured the club's ownership of the rights to its home games, and the Dutch league's new television deal

In Spain, two big clubs -Barcelona and Real Madrid are currently challenging the right of the league to sell their games on a collective basis to the terrestrial broadcaster, and for a good reason: they had already sold the same rights to a cable television company, and the two clubs are now looking to the courts to settle the issue. Meanwhile, in Britain, the Restrictive Practices Court clubs own the content.

of Fair Trading (OFT) to investigate Sky Television's However, with so many new deal with the Premier League. The OFT believes the league acted as a cartel. and wants it to explain to the court why restrictions preventing the clubs from negotiating their own broadcasting deals are in football's

and the public's interest. At the same time, the European Commission is keeping a close eve on the issue of television rights ownership. Mr Stephen Hornsby, a specialist in competition law in sport and the media, says football should expect the commission to

He says: "It will be looking to make a decision as to who should be able to exploit the broadcasting rights. "My own view is that the individual clubs should be able to sell their own home games."

Mr Hornsby believes the Restrictive Practices Court clusion about the Premier League's new contract with Sky, although most experts believe some sort of compromise will emerge, allowing the broadcasters to buy the rights from collectivelyorganised leagues and yet also giving the clubs greater freedom to negotiate individual deals in the PPV arena and in the sale of European

Whatever the result of the court cases and legal inquiries, the longer-term trend appears to signal a shift in television rights ownership away from the leagues to the clubs, which football and the broadcasters will have to ensure that the smaller clubs are not cut adrift financially in the broadcasting

As for the television

companies, their power appears to be waning. It is possible to conceive of a future in which Manchester United operates its own broadcasting division, which produces coverage of all its home games and sells it to the highest broadcasting bidder. As other sectors of the leisure industry notably film and television have discovered, content is king. And in football, it is becoming clear that the

develops in share

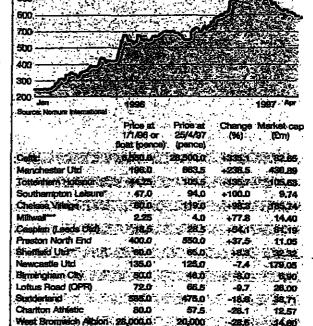
Like any relationship, the stock market's love affair with football has included its ups and downs.

There was an infatuation with the game, when investors rushed to participate in football's profits boom and share prices soared to unsustainable levels.

Then there was disillusionment when investors realised the boom had been overhyped and that only a few clubs were consistently profitable. Amid the recognition that growth prospects were nothing like as exciting as had been hoped, share prices fell sharply.

Now, the relationship is reaching a more mature stage. There is an acceptance that while football has its flaws, the big clubs offer secure long-term growth potential, the medium-sized clubs remain unpredictable because they will be largely footballing performance-led, and the smaller clubs represent purely speculative plays for the brave-hearted investor.

This reassessment has allowed share prices to settle into a more manageable trading range, although a handful remain susceptible to the sudden shifts in sentiment prompted by setbacks



and triumphs in football's end-of-season relegation and promotion battles.

However, the scars of this year's sell-off have not fully healed, and investors are sceptical of clubs that make omises that may prove difficult to falfil.

In particular, shares in clubs such as Newcastle United, Southampton, Birmingham City and Charlton Athletic may languish if the

growth prospects of the businesses rely on long-term stadium construction plans or hopes of promotion to

20,000 -28.5 4.60

Yet, despite concerns about individual clubs, the sector will almost certainly continue to grow. More clubs, such as Leicester City and Nottingham Forest, are planning flotations, while some even bigger names, wait in the wings.

HENRY ANSBACHER Dedicated football supporters Manchester Tottenham Southampton United PLC Leisure Hotspur plc \$27.8m acquisition of One-for-four rights issue **Holdings PLC** United Trading Escate Admission to the Official to raise £11.2m, April and stadium edension. List, January 1997. 1996 Underwritten by April 1995, Advised by Henry Ansbacher & Co. Sponsored by Henry Ansbacher & Co. Henry Anshacher & Co.

For further information please contact: Henry Ansbacher & Co. Limited Corporate Finance Division One Mitre Square London, ECSA SAN Telephone 0171-283 2500



Facsimile 0171-626 9707

The new TALENT in Sport

 The most advanced Ticketing solution uniquely flexible and secure stadium ticketing, membership schemes and tracking individual buying patterns.

Integrated with Sales and Marketing -

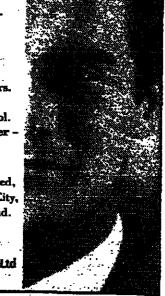
for marketing to sponsors, corporates and members.

Full Accounting control -

total and immediate financial visibility and control. One central database on an IBM computer TALENT uses the AS/400 - the most reliable computer you can buy.

The latest signings of TALENT include: Newcastle United, Chelsea FC and Village, Sunderland AFC, Bradford City, Derby County and the Football Association of Ireland.

TALENT Arena Management Come and see us on the IBM stands 75 and 76 at Soccerex, or call Alison Palin at Computer Software Ltd on 0181 875 1240



COMPANIES AND FINANCE: UK

Legal action is dropped in aftermath of failed takeover bid by Andrew Regan | Halifax

Hambros Bank apologises to CWS dealings

and Clay Harris

um holding

To the plan

Hambros Bank of the UK yesterday acted swiftly to salvage its reputation with a top-level public apology to the Co-operative Wholesale Society for its actions while it was working for Mr Andrew Regan, the business The CWS yesterday man forced last week to drop dropped its legal action

a planned takeover bid. Sir Chips Keswick, Hambros chairman, told Mr Graham Melmoth, CWS chief executive, that the bank's judgment "in proceeding the way it did fell well below our standards and those which you were entitled to expect

The role of Hambros in Regan. Travers Smith opying confidential CWS Braithwaite, after receiving copying confidential CWS documents, which were supplied by a Co-op executive to Mr Regan, and circulating them to more than a dozen leading banks and other financial firms had been revealed in the High Court last week.

against Hambros after receiving the unusual public apology and an assurance that the bank was taking "appropriate action to ensure that this will not happen again".

It also said it would not proceed with action against the law firm acting for Mr Trust and Galileo Group.

a similar "unreserved apol-

Hambros and Travers Smith Braithwaite are both understood to have made substantial financial settlements with the CWS. After consulting its regula-

tors, the Bank of England and the Securities and Futures Authority, Hambros has asked Norton Rose, its lawyers, to conduct an inquiry. Any action against individuals will await its

Hambros also said it had severed its links with Mr Regan's companies, Lanica

The CWS is pursuing its Regan had come under close civil claim for damages against Lamica, Galileo Mr Regan, his business partner Mr David Lyons, and Mr Allan Green, the Co-op senior retailing executive Mr Regan's former company. Hobson, made a £2.4m who has admitted supplying the would be bidders with a

internal information. Galileo, Lanica's unqu offshoot through which Mr Regan intended to make the takeover bid, is expected to be put into voluntary liquidation this week. Lanica shares have been suspended since February.

wide range of confidential

Meanwhile, Mr Ronald Zimet, a businessman whose previous dealings with Mr

CWC, which comprises Mercury, the UK telecoms

business of C&W, and the

cable companies Nynex

CableComms, Bell Cableme-dia and Videotron, will have

scrutiny, resigned as chairman of Freepages, a tele-phone-based information

(\$3.8m) payment in January 1995 to the Swiss bank account of Trellis Interna-tional, a British Virgin Islands company trolled" by Mr Zimet. Internal documents at Hobson, a food manufacturer, said the secret payment was made for Mr Zimet's role in negotiating an extension of an exclusive supply contract

Lex. Page 18

valued at £4.5bn on first day

Cable & Wireless Communications, Britain's largest combined telecommunications and entertainment provider, was valued at £4.46bn (\$7.22bn) on its London stock market debut yesterday. Shares in the company, were u which is the biggest chal-trading

munications' dominance of the UK telecoms market, opened at 300p and closed at

299%p. In New York, the American Despositary Receipts comprising blocks of the shares opened at \$24% and were unchanged in early

traded in London; nearly 1.5bn were issued. Mr Richard Brown, chief

executive of Cable and Wireless, which owns 52 per cent of CWC, said: "We have delivered this complex merger on schedule and created a powerful new force in the UK telecoms industry."

By Peggy Hollinger

Mr Liam Strong.

Sears is today expected to

unveil a long-awaited

restructuring plan as specu-

lation mounts over the fate

of the troubled retail con-

glomerate's chief executive,

Mr Strong, who has faced

down calls for his resigna-

tion recently from investors

unhappy with the company's

disintegrating share price, is expected to make his posi-

tion clear at the group's

He is also aiming to

announce that a price of

about £365m (\$591m) has

Freemans, Sears' mail-order

results meeting today.

tomers and 600,000 television subscribers.

expected from Sears

ally positive about the \$2.3bn.

ment on a deal has taken

longer than planned, with

Littlewoods offering a price

some £30m less than it ini-

tially indicated late last

There was some specula-

tion yesterday that Mr

Strong would resign in

advance of today's results.

However, analysts also

suggested he might remain

for 12 months to see through

a break-up of the group.

"Either way Liam Strong

goes." said one analyst. "If

they split up the group he would be out of a job in 12

months anyway." The bro-

value of the group at "little

business, to the private more than 80p" against a in the year just started.

valuing it in excess of £5hn CWC acknowledges its main task will be completing its half-built cable network and concentrating on marmore than im telecoms cus- keting its range of multimedia services. Completion is likely to take two years Analysts have been gener- and will cost a further

77%p, up 1p.

British Shoe Corporation.

deterioration in the shoe

division. One broker said

losses in the division could

be between £10m and £20m,

against profits last year of

£7.5m. This contradicts Mr

Strong's promise in last

year's annual report that a

previous restructuring

would improve the footwear

business' profitability by

£3.5m in 1996-97, and by £8m

Radical restructuring group Littlewoods. Agree- share price last night of The board is widely expec

ted to announce a radical aggregated. Mr Gary Marsh, Halifax restructuring today, includme the closure or disposal of large parts of the lossmaking Analysis are expecting Sears to report a further

> "If they all opt for individual share certificates, we know the system could not cope - whether it is Crest, the capacity of brokers or the phone system."

> vesterday to market the new bank to institutions. These will take place in London, Scotland, Paris, Frankfurt

fears for Crest

By Christopher

Fears that Crest, the electronic share settlement system, might collapse under the weight of the £13bn (\$21.1bn) Halifax flotation rose yesterday after the building society said a surge of early share sales by members with share certificates could cause chaos.

It said heavy volumes could also overwhelm phone lines and stockbrokers. The warning came as it

set a conservative floor price of 415p for shares sold through the auctions the society is arranging for people who want to sell mmediately after flotation. Many analysts believe the shares will start trading

above £5, with some predictions going as high as £6. Halifax is worried by recent press articles advising members to take share certificates if they want the best price from selling immediately, rather than participating in auctions run by the society's brokers,

Merrill Lynch and Cazenove. This follows the market debut of Alliance & Leicester last week when those selling in the market could generally have got a better price than those selling via auction. Halifax would be happy if members opted to hold their shares through its nominee account, becaus this enables trades to be

assistant general manager, said: "If we have as many sellers as Alliance & Leices ter, we are talking about 1.5m to 2m people.

Halifax began roadshows

LEX COMMENT Halifax

Will the Halifax share-holder take the long view? FISE Banking Sector In the next few weeks we elective to the FTSE will find out as Hallfax's 7.6m members reveal whether they have chosen to follow the 27 per cent of Alliance & Leicester members who sold their shares immediately. In that case

patience was rewarded by

a higher price in the mar-

ket. Halifax members

should take note. If any-

thing, the forces which

drove up A&L's price so

sharply on listing will

it was shown that a little 1969 90 91 92 98 94 96 96 97

apply with greater force. One thing is sure - short of divine intervention or market collapse, shareholders can look forward to a substantially higher price than the the 415p floor announced yesterday Rough cashflow calculations suggest that, on funda-mentals, a Halifax share should be worth at least £5,

perhaps as much as £5.40. But the early scramble for stock can produce a technical squeeze which drives the shares beyond any fundamental value. For Halifax, this could be more pronounced than with A&L - its sheer size will make it more difficult for index-tracking institutions to stand aside as they did with A&L

The wise course will be not to sell at all. Halifax has huge potential: a powerful brand, low costs – which can be lower still - and 19m customers to sell to as it evolves into a diversified retail financial financial services pro vider. At the moment it sells them a measly average of 1.4 products each. That figure could and should be higher. When it delivers, the rewards for those patient enough to wait will be considerable.

Spending jumps at Chiroscience

Chiroscience, one of the UK's largest biotechnology companies, has sharply increased spending and losses in an effort to push its most advanced products to market.

The group yesterday reported a pre-tax loss of £18.7m (\$30.3m) for the year to February, against £11.6m. Expenses were £27.1m, up 67 per cent on last year's £16.3m. There was net cash

and investments of £51.4m. The spending rate was higher than analysts had expected, and the shares fell 171/p to 335p.

the most important drug in development, the anaesthetic levobupivacaine, had entered the final and most expensive medical tests.

Mr John Padfield, chief

executive, said the trials should be over in time for the drug to be submitted to European medicine regulators by the end of this year. In the meantime, he said, finances were being bolstered by the rapid growth of the ChiroTech division, which manufactures pharmaceutical ingredients for

third parties. ChiroTech sales more than doubled to £9.2m, accounting for most of total revenues of

in talks@ partnership

departs

Speculation mounts over Liam Strong's future

By Patrick Harverson

Mr Robin Launders resigned as chief executive of Leeds United yesterday following a clash with senior management at Caspian, the football club's parent company. The former Manchester United finance director had been in post just eight months.

His departure follows delays in plans to build a £30m (\$48.5m) sports arena alongside the club's Elland Road stadium.

Mr Launders was asked to step down by Mr Chris Akers, Caspian's chairman, following complaints by Leeds city council about Mr Launders' brusque negotiating style during talks over the stadium development. Caspian was also said to be unhappy with his manage-

Lest night Mr Launders said he was surprised he had been asked to resign. He admitted that he had put his case to the conncil in a cobust" manner, and said it had been upset because it was not getting its own way. His removal surprised the City and dismayed some analysts and institutions

who had regarded his hiring last August as a coup. While Mr Launders' departure will not cost Caspian a great deal – he will receive one year's salary, worth £150,000 - analysts said the group's credibility

consumer group, is selling its Helene Curtis profes-

sional haircare products

business in Japan to Shis-

eido, the country's leading

No price was put on the deal, which takes in all prod-

uct and trademark rights,

but industry sources esti-

mated its value at between

The sale of Helene Curtis

Y3.5bn-Y4bn (\$28m-\$32m).

manufacturer of cosmetics.

Unilever in haircare

disposal to Shiseido

Unilever, the Anglo-Dutch net sales of about Y5bn in

throughout Japan and had fary and retain its brands.

Leeds Utd Diversity may force metamorphosis

Christopher Price examines what the future holds for Racal Electronics

been agreed for the sale of ker estimated the break-up

oving from Transition to Growth" presentation given recently to senior staff of Racal Electronics by Mr David Elsbury,

chief executive. After the profits warning four months - some City cash injections, which equity analysts are wondering partners would provide.
whether the defence elec- Data products, based whether the defence elec-tronics group will be in its Florida in the US, has also present form much longer to fulfil his promise.

"Although some of its businesses occupy strong market positions, the inadequate," says Mr Mike Styles of Credit Lyonnais Laing, the stockbroker.

He and a growing number of analysts believe a disappointing performance works are put into joint ven-together with the discrete tures then you are left with nature of Racal's businesses will trigger, if not a full-blown demerger, then at least a fundamental restruct-

This speculation has been

fuelled by the company's admission that it is considering joint ventures or partnerships for two key divisions - radio and managed

networks - which account for about 30 per cent of sales. In addition, radio operations, where a profit collapse prompted December's warning, is undergoing a "strategic review". The radio division is part of the Archer consortium, recently selected by the Ministry of Defence to tender for the new £2bn battlefield radio. Racal Network Services is the world's seventh largest

1996, follows Unilever's dis-posal last November of the business's US and Canadian

professional haircare

operations to Shiseido's US

lever's retrenchment in its

general retail operations and

Shiseido's aggressive strat-egy to lift overseas sales

while continuing to strengthen its domestic base.

The deal reflects Uni-

managed data network pro-retire", and intends to turn vider. However, Racal round data products. was the title of a believes it needs local service connections and an has been reflected in its international telecoms group to underpin the strategy of expanding its overseas business. Both the radio unit and 11 days ago - the second in RNS require substantial

attracted speculation over its future. The business has cost Racal about £100m in losses, investment and restructuring over the past group's return on sales is four years. New management last year has failed to turn the division round, and last year's £20m loss is likely to be repeated in 1996-97.

"If radio and managed neta very idiosyncratic collection of businesses for Racal to run." says Mr Mark Davies Jones of Salomon Brothers.

Re-shaping has figured prominently in Racal's development since demerging from Vodafone in 1991 and Chubb Security in 1992. Out have gone the Redac computer-aided engineering and marine businesses. among others. In have come the Thorn Sensors defence electronics, BRT telecoms network and a slice of Camelot, the lottery operator. Racal's transition has been driven by chairman Sir

dealmaker. At 70, his age

restructuring. However, he

has "no short-term plans to

The changing face of Racal is about 75 per cent.

Following the latest profits warning, analysts expect mixed trading performance since 1992. Pre-tax profits, profits of a little more than adjusted for accountancy £40m in the year to March 31 standard FRS 3, started at 1997. The management's £47.7m, virtually halved in credibility has also been 1993-94 because of disposal called into question by the provisions, doubled in 1994-95 and improved to two warnings, which followed predictions by Mr Els-£70.4m last year, chiefly due bury last June and Sir Ernest in August that last to £8.6m from Camelot. Sales over the four years year's pre-tax profits would

be beaten this year, despite a have increased 15 per cent to just over £1bn, while earn-£20m provision. ings per share have risen 61 While agreeing on the like-

per cent, and the share price lihood of restructuring, ana has nearly doubled. Gearing lysts are divided over the values of the various businesses. These range from £530m from ABN Amro Hoare Govett, to £1.1bn by Credit Lyonnais Laing and

Salomon Brothers. Racal points to the outperformance of the shares since 1992, despite the profits warnings. "We shall be spelling out our strategy for the business with our results on June 3," it said. "Shareholders will then be able to judge for themselves the value attached to the company."



RESULTS (5.3) (11.6L) (20.3) (5.38) (0.129) (2.8) (0.059) (7.02) (0.449) (-) (0.1084) (0.51) ____ Yr to Feb 1 65.9 ____ Yr to Feb 28 11.5 ___ Yr to Dec 31 540.1 (65.3) (4.96) (422.9) (24.8) (0.263) (0.82) (4.16) (55.2) (4.73) (4.73) (3.64) 23.4 11.5♥ 0.088 3.23 0.271 7.13 0.709 2.6 3.97 11.35 June 19 Japan, which deals with it will operate Helene Curtis famings shown basic. Disidents shown not except Across in more than 50,000 salons as an independent subsidered capital of the increased capita

Costs were rising because £11.5m (£5m). **Futures Options FX** 0171 24 Hrs 649 ON CAL Ltd

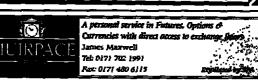
RERKELEY FUTURES LIMITE & FOREX 38 DOVER STREET, LONDON WIX SRB PRIVATE CLIENTS WELCOME TEL: 0171 629 1133 FAX: 0171 495 0022

Market-Eye Realtinus equities, futures, option and news from only 254 per mont DVINIKI AVACV Freefore 0800 321 321

UNION TAX-SHOP LTD For all your tax and self-assessment needs Tax Returns from £60 TEL: 0345 585573 / FAX: 0345 573376

FUTURES MARKET DATAKIT mini FUTURES PAGER REUTERS 0200 22 22 08 **OPTIONS** -TAX FREE 01718960011 (CINDEX

> Page 0171-256-2445 LIED-MALDOCK & COPERA

OFFSHORE COMPANIES stabilished in 1975 OCPA from 20 offices world wide and 750 ready-made companies at for 100 yangs FREE colors brothers Email Branchi Boses, some or cornect: SALE OF MAN D INSUPPRIT, GA THE 44T THE RESIDENT FIRST 4-1804 ATT 1805


Real-time quotes → Ferex data Signal Over 100,000 issues - News headlises U.S. & lat" data - As low as \$9/day! For late call 44+171 626 6181 ext. 3a

ipread betting on over eighty market:

Currency appreciation lifts Spain and Italy

GOVERNMENT BONDS By Edward Luce in London and Tracy Corrigan in New York

The appreciation of the lira and the peseta boosted Spanish and Italian government bond prices yesterday in an otherwise lacklustre market roll data. ahead of the release of US

economic data this week. Economists said European on small volumes during the week, with most countries economist at PaineWebber taking public holidays on in London. Those that are Thursday and Friday.

be released today, and the Atlantic." US purchasing managers could have a disproportion-

pean markets, they said. holidays in Japan - includ- co-operation as "vague". ing "Greenery Day" today would weaken overnight buying during the week. Only the UK, Denmark and

Finland would be open on Friday to respond to the release of US non-farm pay-"The market is likely to be superficially volatile this week only because trading is markets were likely to trade going to be so thin," said Ms

Alison Cottrell, international open will almost exclusively The impact of the US devote their attention to

The meeting of the Group ately strong impact on Euro- little direction yesterday.

with most traders dismissing In addition, several public the statement on currency

Analysts said that foreign currency-related buying would likely be postponed until after this week's data had been absorbed

Nevertheless, the continued strength of the dollar helped boost the currencies of the high-yielding countries yesterday, which in turn helped government bond markets. The June contract on

10-year Italian BTPs rose by 0.75 to close at 126.70 in London. Spreads over German bunds tightened marginally employment cost index, to what's happening across the to 180 basis points in the cash bond market.

Spanish bonos advanced index, due later in the week, of Seven finance ministers in in line with BTPs, closing the US gave the markets 0.58 higher at 113.19 in

"Both bonos and BTPs down just 0.3 to close at Labour would appear to be scheduled for May 20. Many have been trading in a rea-100.41.

sonably tight range over the last few weeks and look Bundesbank would almost unlikely to break out of certainly leave German repo them for the foreseeable rates unchanged at 3 per close at 109 kg. cent at the monetary council future," said Mr Luca Jellinek, bond strategist at Parimeeting tomorrow. bas in London. "Only a very Traders attributed the relunexpected piece of good atively good performance of

the UK gilts market to trounews on European monetary bles in the governing Con-servative party's election union would help them break out of that." Opinion polls at the weekcampaign over the weekend. end showing a better than With most now ruling out the possibility of a surprise expected outlook for the reversal for the Labour party centre-right parties in the parliamentary elections at before polling day on Thursthe end of May helped day, the markets are inter-

tract on OATs closed 0.4 "The gilts markets are really more focused on the German bunds closed marginally lower in London. government and on that, at their next policy meeting, reports

Economists said that the Adam Chester, a bond strategist at Yamaicht.

yesterday morning, as the

market geared up for a

Gilt futures rose by 1/4 to US Treasury prices were little changed in thin trading

> heavy weak of economic Just before midday, the long bond was unchanged at 93 to yield 7.133 per cent. At the short end of the yield curve, two-year and five-year notes were up & to yield 6.51

per cent and 6.827 per cent

preting good news for respectively. Analysts will be scrutinis-ing this week's data for signs Labour as good news for of whether, and by how much, Federal Reserve offipolicy implications of a new cials may raise interest rates

quite reassuring," said Mr analysts are expecting the year's second 25 basis point rise in interest rates at the meeting.

The release of new home sales data had little impact on the bond market. New home sales fell in March to 813,000, but are not viewed as being among the inflationary pressures which could push the Fed to tighten monetary policy

Today's employment cost index is expected to rise by 0.98 per cent in the first quarter, compared with 0.8 per cent in the previous

quarter. Other important data due this week are first-quarter gross national product numbers and employment

Vietnam investment fund to be liquidated

By John Murray Brown in Dublin and Jeremy Grant in Hanoi

The board of Lazard Vietnam Fund yesterday passed a resolution to liquidate the fund, appointing Mr Christopher Legge of Ernst & Young, the accountant, as liquidator.

The fund, capitalised at \$57m, was set up in 1994 as an investment vehicle for venture capital projects. Its assets, up to 80 per cent of which are held in cash, will now be under the liquidator's control.

Pund officials in Dublin said the fact that such a large proportion of the fund was in cash underlined the problems it had faced in finding good investments.

The fund made only two

investments. It invested \$6.6m in an Indian sugar joint venture, called Nagarjuna, and extended a \$2m convertible loan to REE Refrigeration, a private air conditioning equipment.

Lazard's Fund Administration Services in the Channel Islands said a cash distribution to fundholders would be made within four weeks. The liquidators would then move to realise

the equity investments. Dublin has attracted about 600 funds to list on the Irish Stock Exchange. many of them lured to change their domicile from Luxembourg, the world's

largest centre for funds. Most Vietnam funds were set up in the early 1990s. when analysts believed the communist-run country was only a couple of years away from launching a stock market. However, this is not likely for another three

9

PANGE CHOICE RATES

CON MONEY HATE

Al ··

Brazil offers parallel bond

INTERNATIONAL BONDS

Brazil yesterday became the first emerging market bor-

rower to launch a three-tranche parallel bond. Parallel bonds are issued in currencies believed to be strong candidates for early attract demand. membership in European francs. Dutch guilders and Austrian schillings. All bonds are identical in terms have suggested - would of coupon and maturity, and have been like asking the become fungible in one large World Bank to pay (a spread issue denominated in euros of 65 basis points over Trea-

rency – after Emu. "We chose three markets in line with reality." with highly correlated underlying government Netherlands was helped by bonds," said ING Barings, demand from large pension arranger of the deal and lead funds, while Austrian invesmanager of the guilder tors showed a strong appetranche. It also said it was tite as they had more experi-

franc-denominated tranche was proving difficult to place. "There are few investors in France who have invested in emerging market instruments before," said a syndicate official at a French bank, adding that a higher coupon would have helped

The lead managers, howthe coupon at 7 per cent - as some of our competitors - the planned single cur- suries," said one of the lead managers. "This is just not

"very pleased with the mar- ence with emerging markets

Bankers said the French One French banker said according to lead manager the transaction was a landmark for France. "We need to develop a high-yield mar-ket in francs," he explained. "Brazil is ideal as a debut issuer, because it combines a good credit story with a high

The European Investment Bank also showed innovation in the French franc sececonomic and monetary ever insisted the pricing tor, launching its first float-union. Brazil chose French was appropriate. "Setting tng-rate issue – the first ing-rate issue - the first such issue by any supranational borrower in the 1990s. according to one banker.

short-dated paper from money market investors and no supply," said BNP, the lead manager. "We also saw a lot of foreign investors ING said placement in the looking for defensive invest- at the higher end of the indiments due to the uncertain environment."

inspired by the UK's Private Finance Initiative was "significantly oversubscribed",

Jul

■ BUND FUTURES OPTIONS (LIFFE) DM250,000 points of 100%

0.82 0.58 0.78 0.94 0.41 0.53 0.41 0.59 0.74 0.62 0.31 0.27 0.43 0.57 0.90

MOTIONAL ITALIAN GOVT. BOND (BTP) FUTURES (LIFFE) Lira 200m 100ths of 100%

Open Sett price Change High

CALLS -

MOTIONAL UK GILT FUTURES (LIFFE)* \$50,000 32nds of 100%

II NOTIONAL SPANISH BOND FUTURES (MERF) Open Sett price Change High

128.21 128.70 +0.75 128.93 126.03 55000 198795 126.85 128.97 +0.82 127.03 128.70 524 4977

112.78 113.19 +0.58 113.21 112.73 75.875 69.422 112.25 112.33 +0.25 112.25 112.08 75 77

III ITALIAN GOVT. BOND (BTP) FUTURES OPTIONS (LIFTE) Lin200m 100ths of 100%

Sec

French bond futures in an otherwise directionless mar-

ket. The June futures con-

higher at 128.32 on Matif.

(M6) is a special project entity set up by construction companies participating in the construction and maintenance of a 100km section of the M6 motorway between Carlisle (England) and Mill-

bank (Scotland). The bonds are backed by future receipts of shadow tolls for the use of the road. The securities have been awarded top ratings by S&P and Moody's, the US credit

"There was demand for rating agencies, with help from a credit insurance from FSA, a specialised financial institution. Morgan Stanley said the strong demand had allowed it to price the bonds cated pricing range. "We took a long time to

A long-term securitisation prepare this deal and build up a strong order book," it said. "The paper was placed with long-term investors mainly by UK institutions, who plan to hang on to it."

ᇓ

Low Est. vol Open int.

PUTS

1.21

· · · · · · ·	Amount	Conspon	Price	Materity	Fees	Spread to	Book-runner
Ontower B. Lies Pour Labor		: To the contract of the contr	n	7 - P. (**), 7		er a regenerativa	
US DOLLARS			-192 A.C.			A Committee of the Comm	Menti Lynch
Norld Omril 1007-A(a)+¢ CSFB. London Branch(b)	1,1bn 500	7.90	99.7138	Jun 2003 Undered	n 875R	+1006496-07	CSFB Corp. NY
Pernex	300	8.50	99.589R	Mey 2002	0.45R	+160(8%% %-02	Gokuman/SBC Warbur
Den norske Bank(c)‡	110	(c1)	99,928A	May 2007	0.40R		Chase/Salomon Broth
II D-MARKS			id a militar	The state of the state of		40.00	
BM International Finance	200	4.876	99.605R	May 2002	0.25R	+14(8% Jen02	Deutsche Morgan Gre
STERLING	Y 73	1000			1		gertsen krass
Dest Kontrollbank(s)★	150	6.30	100.00	Nov 1998	0.50	-	Nikko Europe
Autolink M6, Class A(d.s)	125	B.39s	100.00R	Jun 2022			Morgan Stanley & Co
FRENCH FRANCS	والإدائية	. 306 C		Section Section	2.7	OF X 8.	and the last section
Suropean Inviment Bank¢	3bn	(e.s)	99.91R	Mar 2002	0.15R	-	Banque Nationale de
Federative Rep of Brazil(f)	ibn	6.625	99.48R	May 2002	0.60A	+1850	Paribas
SWISS FRANCS	Salah.	1.			* 1	20 B 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	
IP Morgan & Co(g.s)	100	2.00	98.80	Dec 2001	2.00	<u>-</u>	SBC Warburg
I ITALIAN'I IRE	7	11/53		1.5			
World Barnk	300bn	6.95	101,725		1.875	-	BCI/JP Morgan Securi
Bayerische Hypo(h)	100bn	6.75	100.235	Feb 2002	1.675		IMI Bank Luxembourg
E GUILDERS							
Federative Rep of Brazilifi)	400	6.625		May 2002		+173(1)	ING Barings
Kredietbank Inti Finance	110	, 0	99,233R	Jun 2003			Kredietbank Inti Group
AUSTRALIAN DOLLARS	المحالية المواردة	· · · · · · · · ·					
Coronto-Dominion Bank	100	7.75	101,415	May 2002	1.875		Toronto Dominion Bar
PESETAS	1. 1.	· · · · · · · · · · · · · · · · · · ·	4	5 () S ()	7.	Act of the	A section of the section of
telaba Finance	10bn	(94)	100.00	May 2007	0.20	. .	Banco Bibao Yizcaya
P CANISH KRONER			10 W 11		Z		
Prédit Local de France	400	6.00	101.90	Jun 2003	1.875	-	BIL
AUSTRIAN SCHILLINGS,				7.7			Transfer of the second
ederative Rep of Brazilifi	25n	6.625	00 000	May 2002	n and	+1730	Creditanslatt-Bankvere

BENCHMARK Australia Austria Belgium	Coupon 6.750 5.750	Red Date	Price	Day's change	Yield	Week ago	Monti ago
lustria Belgium	6.750	Date			Yield		
lustria Belgium		11/06	04 5450				
Selgium	5 75N		91.9458	-0.630	7.97	7.87	7.89
		04/07	98.7000	-0.040	5.93	5.92	5.80
	6.250	03/07			6.05	6.02	5.96
anada '	7,000	12/06	100.9500		6.86	6.88	6.58
)enmark	8.000	03/06	109.2000	-0.200	6.59	6.60	6.59
rance BTAN	4.750	03/02	102.5744	-0.010	4.85	4.90	4.76
QAT	5.500	04/07	97.5600	-0.110	5.83	5.82	5.72
Sermany Bund	6.000	01/07		-0.090	5.94	5.89	5.87
retand	8.000	06/06		-0.100	6.82	6.77	6.71
taly	6.750	02/07	94.5200		7.55†	7.52	7.72
apan No.143	5.500	03/02	117,8582	+0.107	1.57	1.42	1.24
No 182	3.000	09/05			2.30	2.15	2.21
etherlands	5.750	02/07	99.5600	-0.060	5.81	5.77	5.61
ortugal	9.500	02/06	117.5500	+0.250	6.78	8.81	6.95
pain	7.350	03/07	103.2700	+0.650	8.87	6.95	7.19
weden	8.000	08/07	104.3783	-0.150	7.37	7.25	7.26
JK Gales	7 000	06/02	98-19		7.33	7 .2 7	6.97
	7.250	12/07	97-08	+9/32	7.63	7.57	7,44
_	9.000	10/08	109-20	+9/32	7.72	7.66	7.54
IS Treasury "	6.250	02/07	95-03	-2/ <u>32</u>	6.95	6.84	6.74
	6,625	02/27	93-19	-4/32	7.15	7.07	6.98
CU (French Govt)	7.000	04/06	105.1900	-0.100	6.23	6.25	6.23
ondon closing, "New Yo						market s	standari
Gross including with			or cent payal				
hoes: US. UK in 32nds,	वयोष्टा न व	nomat			Source: A	LONG AND	rnotion

Prime rate .		Ona Si ₂ Two				ear Vear			Open	-	Change	High	Low	Est. vol	
Broker inan		714 Thre	a month		5.34 Fire w	eu		Jun	108-24	109-02	+0-10	109-07	108-23	38230	167122
		5, Stat	때에		5.66 10-ye		6 96	Sep		108-28	+0-10			0	2533
ोस्ट वेकक्ट स	intervention	- One	year		6.09 30 .y e	T	7.15	E LONG	GILT FUT	URES OP	TIÇNS (LI	7E) 250,0	00 64lhs (of 100%	
								Strike		CA	<u>ш</u> s	~		PUTS	
								Price	Jun	لياف	Aug S	3ep Jt	ո հա	i Aug	Sep
								109	0-60	1-16 1	I-34 1-	·52 0-5	6 1-2	1-42	1-60
								110	0-32	0-51	I-06 1-	-23 1-2	8 1-59	9 2-14	2-31
	-							111	0-16	0-30 ()-49 (l-	63 2-1	2 2-3	3 2-57	3-07
BOND	FUTU	res an	ID OP	TION	5			Est wol;	otal. Calls 41	75 Puts 838	Previous (Sav's apen	int., Calls 5	8834 Puts 2	34736
France	p.														
		ICH BOND	EM IDE	MATH	FERSON OF	20		Ecu							
								SE ECU	BOND FUT	URES (MA	ทค ECU1	90,000			
	_	Satt price	_	High	Low		Open int.		Open	Sent reico	Change	High	Low	East und	Open in
Jun	128 60	128 32	•O.D4	128 62	128.22	7.505	158,584			-	_	-			
	- 37 00														
Sop	127 06	126.78	+0.04	127.06	126.76	333	8.054	Jun	93.70	93.78	+0.08	93.94	93.64	217	8,548
Sop Dec	96.60	96 32	+0 04	96 60	96 60	333 2	8.054	Jun Sep	93.70	93.78 93.40	+0.08 +0.08	93.94	93.64	-	-
Sop Dec ELONG	96.60 TERM FRI	96 X	+0 04 ID OPTRO	96 60 NS (MAT	96 60 NF}	2		Sep							
Sop Dec ME LONG Strike	96.60 TERM FRI	96 32 ENCH BON CAL	+0 04 ID OPTRO	96 60 NS (MAT	96 60 NF)	PUTS	-	Sep US		93.40	+0.08			-2	
Sop Dec LONG Strike Price	96.60 TERM FRI	96 32 ENCH BON CALI	+0 04 ID OPTRO	96 60 NS (MAT	96 60 1F}	PUTS	Sep	Sep US		93.40	+0.08			-2	
Sop Dec IL LONG Strike Price	96.60 TERM FRI Man	96 32 ENCH BON CALI Jun 3 0 91	+0 04 ID OPTRO	96 60 NS (MAT	96 60 HF} May: 0 36	PUTS Jun 1.20	Sep 163	Sep US		93.40	+0.08	ST) \$100,0		of 100%	
Sop Dec IR LONG Strike Price 127 128	96.60 TERM FRI Mar 1 66 0 96	96 32 ENCH BON CALI Jun 3 0 91 3 0 55	+0 04 ID OPTRO	96 60 NS (MAT ep 41 94	96 60 NF) May 0 36 0 66	2 PUTS Jun 1.20 1.76	Sep 1 63 2 15	US US TI	REASURY I	93.40 SOND FUT Latest	+0.08 TURES (CE	31) \$100,0 High	00 32mds; Low	of 100% Est. vol.	Open in
Sop Dec IR LONG Strike Price 127 128 129	96.60 TERM FRI May 1 66 0 96 0 47	96 32 ENCH BON CALI Jur 3 0 91 3 0 55 7 0 23	+0 04 ID OPTRO	96 60 NS (MAT ep 41 94 60	96 60 Nay 0 36 0 66 1,14	PUTS Jun 1.20	Sep 1 63 2 15 2.80	Sep US US TI	REASURY 1 Open 107-04	93.40 50ND FUT Latest 107-00	+0.08 TURES (CE Change -0-04	51) \$100,0 High 107-07	00 32nds Low 108-30	of 100% Est. vol. 232,930	Open in 456.588
Sop Dec In LONG Strike Price 127 128 129 130	96.60 TERM FRI May 1 66 0 96 0 47 0 17	96 32 ENCH BON CALI Jur 8 0 90 8 0 50 7 0 20	+0 04 ID OPTIO LS	96 60 NS (MAT ep 41 94 60 36	96 60 NF) May 0 36 0 66 1.14 1.85	2 PUTS Jun 1.20 1.76	Sep 1 63 2 15	US US TI	Open 107-04 106-24	93.40 SONO FUT Latest 107-00 106-18	+0.08 TURES (CE	51) \$100,0 High 107-07 108-24	00 32nds; Low 108-30 106-17	of 100% Est. vol. 232,930 688	Open int 456.588 42,848
Sop Dec IL LONG Strike Price 127 128 129 130 131	96,60 TERM FRI 1 66 0 96 0 47 0 17	96 32 ENCH BON CALI 7 July 8 0 96 8 0 55 7 0 27 7 0 17 5 0 0	+0 04 ID OPTRO LS 3 1 5 0 1 0 1 0	96 60 NS (MAT ep 41 94 60 36 21	96 60 Nay 0 36 0 66 1.14 1.85 2.72	PUTS Jun 1.20 1.76	Sep 1 63 2.15 2.80	US US TI	REASURY 1 Open 107-04	93.40 50ND FUT Latest 107-00	+0.08 TURES (CE Change -0-04	51) \$100,0 High 107-07	00 32nds Low 108-30	of 100% Est. vol. 232,930	Open in 456.588
Sop Dec IL LONG Strike Price 127 128 129 130 131	96,60 TERM FRI 1 66 0 96 0 47 0 17	96 32 ENCH BON CALI Jur 8 0 90 8 0 50 7 0 20	+0 04 ID OPTRO LS 3 1 5 0 1 0 1 0	96 60 NS (MAT ep 41 94 60 36 21	96 60 Nay 0 36 0 66 1.14 1.85 2.72	PUTS Jun 1.20 1.76	Sep 1 63 2.15 2.80	US TI US TI Jun Sep Dec	Open 107-04 106-24 106-06	93.40 SONO FUT Latest 107-00 106-18	+0.08 TURES (CE Change -0-04	51) \$100,0 High 107-07 108-24	00 32nds; Low 108-30 106-17	of 100% Est. vol. 232,930 688	Open int 456,588 42,848
Sop Dec IL LONG Strike Price 127 128 129 130 131	96,60 TERM FRI 1 66 0 96 0 47 0 17	96 32 ENCH BON CALI 7 July 8 0 96 8 0 55 7 0 27 7 0 17 5 0 0	+0 04 ID OPTRO LS 3 1 5 0 1 0 1 0	96 60 NS (MAT ep 41 94 60 36 21	96 60 Nay 0 36 0 66 1.14 1.85 2.72	PUTS Jun 1.20 1.76	Sep 1 63 2.15 2.80	US US TI	Open 107-04 106-24 106-06	93.40 SONO FUT Latest 107-00 106-18	+0.08 TURES (CE Change -0-04	51) \$100,0 High 107-07 108-24	00 32nds; Low 108-30 106-17	of 100% Est. vol. 232,930 688	Open in: 456.586 42,848
Sop Dec IL LONG Strike Price 127 128 129 130 131	96.60 TERM PRI 1 66 0 96 0 17 0 17 0 00 0, Calls 13 20	96 32 ENCH BON CALI 7 July 8 0 96 8 0 55 7 0 27 7 0 17 5 0 0	+0 04 ID OPTRO LS 3 1 5 0 1 0 1 0	96 60 NS (MAT ep 41 94 60 36 21	96 60 Nay 0 36 0 66 1.14 1.85 2.72	PUTS Jun 1.20 1.76	Sep 1 63 2.15 2.80	US TO	Open 107-04 106-24 106-06	93.40 50ND FUT Latest 107-00 106-18 105-18	+0.08 TURES (CE Change	31) \$100,0 High 107-07 108-24 106-06	00 32nds; Low 106-30 106-17 106-06	of 100% Est. vol. 232,930 688 2	Open in 456.586 42,848
Sop Dec In LONG Strike Price 127 128 129 130 131 (sr vol rot	96.60 TERM FRI Man 1 66 0 96 0 47 0 17 0 05 0 05 0 05	96 32 ENCH BON CALI 7 July 8 0 96 8 0 55 7 0 27 7 0 17 5 0 0	+0 04 ID OPTIO LS	96 60 NS (MAT 41 94 60 36 21 day's open	96 60 Nav 0 36 0 66 1,14 1,85 2,72 Int. Cats 10	2 PUTS Jun 1.20 1.76	Sep 1 63 2.15 2.80	US TO	Open 107-04 106-24 106-06	93.40 50ND FUT Latest 107-00 106-18 105-18	+0.08 TURES (CE Change -0-04	31) \$100,0 High 107-07 108-24 106-06	00 32nds; Low 106-30 106-17 106-06	of 100% Est. vol. 232,930 688 2	Open in 456.586 42,848
Sop Dec In LONG Strike Price 127 128 129 130 131 (sr vol rot	96.60 TERM FRI Man 1 66 0 96 0 47 0 17 0 05 0 05 0 05	96 32 ENCH BON Juz 3 0 99 3 0 55 7 0 22 7 0 17 5 0 0 14 Puts 12 00	+0 04 ID OPTIO	96 60 NS (MAT 41 94 60 36 21 day's open	96 60 Nav 0 36 0 66 1,14 1,85 2,72 Int. Cats 10	2 PUTS Jun 1.20 1.76 1.801 Puts 1	Sep 1 63 2.15 2.80	US TO	Open 107-04 106-24 106-06	93.40 50ND FUT Latest 107-00 106-18 105-18	+0.08 TURES (CE Change -0-04	31) \$100,0 High 107-07 108-24 106-06	00 32nds; Low 106-30 106-17 106-06	of 100% Est. vol. 232,930 688 2	Open in 456,588 42,848 6,699
Sop Dec In LONG Strike Price 127 128 129 130 131 (sr vol rot	96.60 TERM FRI Man 1 66 0 47 0 17 0 00 0 00 0 00 0 00 0 00 0 00 0 0	96 12 ENCH BON CALL 3 0 96 3 0 55 7 0 22 7 0 1 5 0 0 0 14 Puts 12 00	+0 04 ID OPTIO	96 60 NS (MAT ep 41 94 60 36 21 day's open	96 60 NANY 0 36 0 66 1.14 1.85 2.72 Int. Carn 10	2 PUTS Jun 1.20 1.76 1.801 Puts 1	Sep 1 63 2 15 2 80	US TO	Open 107-04 106-24 106-06	93.40 50ND FLT Laiest 107-00 108-18 105-16 3 TERM a	+0.08 URES (CE Change -0-04 IAPANESI	High 107-07 108-24 106-06	00 32nds; Low 108-30 106-17 106-06	of 100% Est. vol. 232,930 688 2	Open int 456,588 42,848

BOND	FUTU	RES A	ND O	PTION	\$			11'	T LwcL5n	0-1 eaLC≃	15 15: 417	U∹30 75 Puter 8	U-49 U 38. Previous	-63, 2 daw/arawa	-12 2-39 nint_Collec	6 2-57 1981a Pure 1	3-47 26736
Franc M NOTIC	e WAL FRED	ICH BONI	FUTUE	RES (MAT	F) FF:500	000,0		E	CU						0.00	AND FUEL OF	
	Open	Satt price	Change	e Hegh	Low	Est. vol.	Open int.	=	ECU E				MATIFI ECU1				
Jun .	128 60	128 32	•0.D4	128 6			158,584				Den	Sett prid		High	LOW		Open int.
Sop	127 06	126.78	+0 ()4	127.0			8.054	Jur		93.	.70	93.78		93.94	93.64	217	8,548
Dec	96.60 TEDM FO	96 X)	+0 04			0 2	-	Se	P		-	93.40	40.0B	-	-	-	-
	TERM FR			AMI SINU	18-3				_								
Strike	***	CAI				PUTS		U	5								
Price	Mar			Sep	May	Jun	Sep		US TR	EASU	IRY B	FI GMD	UTURES (C	3T) \$100,	000 32nds	of 100%	
127 128	160			141	036 066	1.20 1.76	1 63			0	эеп	Lates	t Change	High	Low	Est. vol.	Open int.
129	0.12			060	1.14	1.76	2.15 2.80	Jur	п		-01	107-0	0 -0-04	107-07	7 108-30	232 930	456,586
130	0 17			0.36	.85	-		Se	p	106	-24	106-1	8 -	108-24	1 106-17	688	42,848
131	0.00			0.21	2.72	-		De	c	106	-06	105-1	6 -	106-06	6 106-06	2	6,699
(so vol tol	a, Cars 13 22	H Puls 120	C. Province	ra day'e cec	n Int. Cath	101.801 Pues 1	30 233										
								J:	an an	ı							
Germa	anv									_	LOW	a manu	JAPANES	FCOVT	ROND P	TURES	
	-	MAN BUN	D FUTUR	RES (LIFE	E)" DM25	0.000 100ths	of 100%					Oths of				. 31120	
								_		On	en.	Close	Change	High	LOW	Est yel	Open int.
	Open	Soft price	••		Lov			Jur	•		5.35			125.48		1356	
Jun Sep	100.53 99,47	100 41 99 36	-0 03 -0.03	100 54 99 47	100 2 99.20		271618 21895	Se			1,21			124,21		176	Legi Legi
эер	99.41	99.30	-0.03	23.41	39.21	3 1390	5,1950		-			dection A	PT All Open				
UK C	iilts P	RICES															
													-				
	Mestes.	Vield . Let Red	l Price € -	. 52 -ar- High	ucet. Low		Nectes Sig	Yeld . Red	Catao e		. 52°t Kich	HEEK.		Victor	Yield (1) (2) Pr		52 wask
			nevt.	-a- ngi						_				4025	(1) [2] Pi	te: + tr -	High Law
	ps up to Fire Yo				IAA L	sas 7 kpc 2006##		7.66	1003		1074		de-United	(4)			
Treats Cov 704	1997# 1997#	696 619 860 62.		1017 1076	socia "	kas 8pc 2002-6##		763	1017	_	104,7		45200 '98## 21200 '01		- <u>220</u> 2.73 3.37	1144 + <u>1</u>	1743; 1723; 1873; 1784;
Each 1Spc 19		14 33 63		1145	1027	sas 11 kpc 2003-			119]]		125,	11518	21280 103	(78.8) 	301 348	1887 +7 1887 +7	1842 173日
Each 9 kpc 19	998	954 65	0 102%	106()	rce, in	eas 8 ¹ /pc 2007 ‡			i (Se		110	101,2	4 PR 1944	മമന	3.08 3.49	11742 +4	1202 1131
Treas Tipe I		771 66		1091		eas 7 1/4pc 2007‡			9752		102/3	on-3	21-pe 105	(559.5) (76.20		1914	1953) 1814 1763 1823
ineas 151gpc Eagh 12pc 19		13.90 6.84 11.17 B.S.		122) 114 ₁		cos Spc 2706 🛱 .		771	10912	-	1145	10317	2120C 11		3.39 3.61	1712 +1 1774 +1	176급 1월일 183 <u>초 167</u> 월
Treas 91 ppc 1		913 69	6 104 <u>5</u>	+/(103/2	97:1 "	25 Spc 3909	7.88	7.75	107 %		705 II	97	21 ₃ 56 13	_69.3	34G 263	1464 +3	150]] 137%
Treas Pity Rai	o 1999∷		100,	10),	992 In	225 6 1/4pc 3010‡	\$ 7.17	7.79	87.5	•₃•	9112	91[]	21205 16			155% +4	1611 1454
Each 12 lanc		11.21 76) 109¥	. 116-b	109,1 Ca	ny 90c La 2011 #		7.78	110%	- 2	1159		2 ¹ 205 74#			1484) + 1 1235 + 3	1543, 1394, 1286, 1154
Treas 101 ₂₀₀ Treas 6ac 19		945 65 612 69		-6 12131 - 1 001						-					156 170	123½ +3 120½ +3	1264 1142
Conversion 10		956 71		- 3 994 - 3 185								P	товресііна гес	N redemoi	dom nata on	projected in	Madion of m
Cory Spc 200		861 .3		108,								1	0% and (2) 59	k. (b) Figu	res in parenz	heres show	RPI base for
Treas (Sec 2)	900	17 19 7.2	7 116	1231	116.0							•	ndering (le 8 n	couls pri	or to leave) a	nd have bee	n adjusted to
îrem 145c 15		1303 674		-/ ₂ 116		er Filines Tears			11015		116 2	iber M	effect rebeating actor 3.945. R	rafferit Piter 4	10 100 in Fe Let 1992 15	Orusty 1967	March 1997
Treas Spc 200 Treas Dio Dat		722 723 567 -		+L 104()		ses 90c 2012##		?79 75	11013		1:5;	- •	55.4.	· · · · · · · · · · · · · · · · · · ·	Per 1994 12	EU 107	
Trees Fity Rat Treas Tube 20		920 7.3	- 100 _{1a} J 1061 _a	100,	PA 24	ssa 5-200 2008–17		755	82	-	85 <u>9</u>	154					
Treas Tope 20 Treas 700 000			1 38)7%	-1 1134 -1 1015	0521	26 gz 30 344 –	7.88	7.80	101:2		107,3	32)					
p you				. 17 IN. 3	33 IN	us 74pc 2012-19	样_ 7.80		90,	-	1043	93H					
					Tq	128 Sgc 2015##	7.63	777	102,	-	10733	8217					
					In	2017##	BEO	7.61	1003	+	115 <u>13</u>	م وا102	Other Fo	od in	aract		
					ĭø	# 8F 2021# _	7,51	776	in la	+3	103,5	95%	PER IU		क्रिक्ट विकास		
Thu to Filtre	e Years								-	-		_			Wa		m
Ireas 7pc 200	8 # .u	7.10 733		+4 101 i	9771									licies		Price E + or -	_ 52 week _ High Low
Treas 9 kpc 2		887 745		~ 122½								-					
Treas 890 200 Treas 1000 30		780 745 891 753		-j. 105()									stem Day 104.pc		8.82 8.04		1224 1113
Treas 11 year		10.11 7.36		+3 1165 +6 1215	1105 ₇ 1135 ₈ Co	dated							Tagan 11 ¹ ⊴00 201		9.09 8.45 72		13212 11912
Funding 17: po		4 10 6.30		B61	791, 60	305 40C	206	-	1513	+#	543	46.P II	gegis 13 ¹ 206 3000 Nesposi 3 ¹ 206 inc	!	6.04 - 8.33 -	1342	137 j 129 43 27h
Comercon 91		8.57 7.58		+2 11412		r Lean 31 gazita	7.77	-	454	-13	475	412 (Merpool 3º200 Jrd CC 3nc 70 Atl	· ·	630 - 833 -	4°	43 27½ 28 32½
Ітеха бізде 2	C04\$\$	7 06 7.51		روو يا <u>ن</u>	9113 Ca	w 31 ₂ pe '61 42 .		_	61.1		5414		Lanchester 11 1/2 is			122%	127 117
Cens 9 to per:	7005	8.55 761		· 12283	108층	11 Sec. 18 At		-	374	-4	39.	2/1 14	64, Way. 3pc 8°		3.76 700	aŭ	8Ž 74
ireas 12i ₂ pc. forma i loro		998 7.54		+1 130	1232	mala 21 ₂ 00			12Å	-2	34&		rade Anglia 37 ₄ p	€ 2021	- 4.09	1424	1471 133
inos 8 igo: 3 inos 74ec 3		866 760 257 763		+1 109% +1 103%		maaazı <u>y</u> pc os 1√m	7/9	-	113	-4 <u>6</u> -	22.5		4 laps R 2024 18 May States 18 la	- 1000	- 4.47	1374	1421 132 1356 122
PRINCIPAL PARTY OF	۔ ۔ خطاست	131 153	- 25A	mark III. San	- Tel 100	AN CAPITAL	A 413	_	11.2		34.5	746 D	CL 100 200 100 7	urana l	- اللاب	134	142

nce Indices K Gilts	Mon Apr 28	Day's change %	Fri Apr 25	Accrued interest	xd adj. ytd								— Hilighi col Apr 28 Ap	
Up to 5 years (19)	119,50	30,0	119.43	2.08	4.14	5 yts	7.36	7.40	7.51	7,43	7.44	7.55		49 7.
5-15 years (20)	148.87	0.18	148.60	3.20	3.12	15 yrs	7.74	7.79	8.1B	7,77	7.80	8.20		67 B.
Over 15 years (7)	169.13	0.37	168.51	5.28	3.16	20 уга	7.60	7.86	8.24	7.80	7.83	8.26	7.86 7.	5 7 8 .
Irredeemables (5)	194,94	0.77 0.18	193.44	4.58 3.17	2.37 3.60	irred_†	7.85	7.91	8.29					
Alistocks (51)	143.25	U.18	142.99	3.17	9.00			- - · .						
dex-linked		-						ntiation : 8 Apr 2	ть — 5 Үг. ад	· · · ·		Batton 10 8 Apr 25	Yr. ago	
Up to 5 years (2)	203,67	0.08	203.50	0.53	3.03	Up to 5	ута 3.3	B 3.35	2.75		2.74	2.58	1.32	
Over 5 years (10)	195,13	0.19	194.76	1.37	2.32	Over 5 y	ms 3.6	4 3.66	3.72		3.43	3.45	3.51	
All stocks (12)	194,97	0.18	194.63	1 <i>.</i> 27	2.37	_	•					•		
T Fixed Interes	t Indice	S				G	iilt Edge		vity in	dices	-			•
	28 Apr 25	Apr 24 Ap	28 Apr 2	2 Yragol	fight Lo	<u> </u>			Apr	25	Apr 24	Apr 23	Apr 22	Apr
ovt Secs. (URC) 93.4	3 93.46	93.69 93	87 93.90	92.76 9	6.62 93	.31 GI	it Edged t	argains		MA .	NA	NA	NA	N
xed interest 116.		116.82 116			W - C - 44P	~ -	day averer			A.	NA.	NA	· NA	

	Car Exper Activity citra was not fit		يرجي عد	1 230	90C 91	r many.					•			
-									•		-			
-	FT/ISMA INTERNAT	ION	AT F	ini	אם כ	ERVICE								
				_										
						isquate secondary market. Latest pri		-		•				<u>.</u>
_		Bid	Çiller	Chg	Yield	Insued			Яg				Offer CI	
Ŀ	U.S. DOLLAR STRAIGHTS	ne?.	96%		7.00	Spein 7 ¹ 4 03	109%	109% 107½	1.	527 555		1837 1807		7.91
	Abbey Nati Tressury 6 ¹ 2 03 1000 ABN Arms Bank 7 ¹ 4 05 1000		96 k			World Bank 5% 03 3000		103%	-	527		995 ₂	261gr	12 914 7.02
	African Dev 5k 73 23 500 Alberta Province 75 98 1000	954	961,		7.76	World Bank 6 ¹ g 02 3000 World Bank 7 ¹ g 05 3000	105	105		504	Depta Finance 72, 03 £ 500	15 3	957 ₁ i	18 7요?
-	Alberta Province 75g 98	1014	101 g 101 g		8.69 11.15	World Bank 71g 05 3000	1084	108%		5.72	EIB 8 03 £ 1000 14 Finland 7 00 £ 500	11½	1015	
	Argentina 11 ² g 17 2000 Asian Dev Bank 9 ¹ 4 05 750	943	9412		7.27	SMRSS FRANC STRAIGHTS	-				Gkpp Welcome 83, 05 £ 500 1	12 ₁ 2		Hg 7.36 Hg 8.15
	Austria 6½ 00 400	103 k	104		6.93	Asian Dev Bank 0 16 500	42	4212		4.73	HSBC Hokings 11.69 02 £ 153 11	45	1147 +	Pg 8.14
	Baden-Wuerts L-Fin 8 ¹ g 00 1000 Bencomest 7 ¹ g 04	1024 914	103 921	ᄮ	6.97 6.09	Austria 4 ¹ 2 00 1000 Dermark 4 ¹ 4 99 1000	1065	106 ¹ 8 104%	ᅸ	239 225	tely 10 ¹ 2 14 ½	194a 184a	1193 ₄ +	Pu 8.33
		1003	1002	-	8.80	EB 3 ¹ ₃ 99	1031	10314	•	1.91	Land Secs 912 07 £ 200 10	7 ¹ 2		4 836
	Bayer Vereirabik 8 ¹ a 00	1024	103 92		6.97	EB 6 ³ , 04 300	115 ¹ 2		+18	4.27	Land Secs 9½ 07 2 200 11 Ontano 11½ 01 2 100 1 Powergen 8½ 03 2 250 11 Seven Trent 11½ 99 2 150 16	1012	1103.	7.80
	Belgium 5 ¹ 2 03 1000 British Columbia 7 ¹ 4 02 500 British Gas 0 21 1500 Canada 6 ¹ 8 05 1500	105,2	10212		7.17	Heleba Finence 33, 00 1000	104 ¹ 2	1113; 1043;		2.44 2.45	Seven Trent 11 ¹ 2 99 £ 150 16	154g 175a	1033 ₈ 1077 ₈	8.18 7.58
_	British Gas 0 21	147	147	4	8.16	Cessing 7-2 (0) 100	115	•		274	Tokyo Elec Power 11 01 £ 150 11	10%	1114 +	L 7.79
_	Canada 6½ 05	954 97%	95 ¹ 2		7.27 7.28	hter Amer Der 44, 03 600	108	109 115%		3.32	TCNZ Pin 94 02 N23 75 10 World Stank 9 99 N25 250	13 ³ 9		4 841
	China 6 ¹ 2 04 1000 Credit Foncier 9 ¹ 2 99 300		343	يد.	7.78	Oniziro 6 ¹ t, 03	103	1035g	٠.	484	Credit Local 6 D1 FFr	Ni. Na		7.94 1 4.93
	Credit Foncier 9 ¹ 2 99 300	1042	1044	-	6.76	SNCF 704 450	12034	121	_	3.75	Credit Local 6 01 FFr 8000 10 Denmark 5½ 99 FFr 7000 10	31	10312 +	4.09
	East Japan Railway 6% 84 600 E88 6 04	943	98½ 94%		7,41 7,03	Sweden 41, 03 500 World Bank 0 21 700	706 32	108¾ 32¾	Ļ	3.32 4.75	Blac de Fastice 84, 22 FFr 3000 13	23%	124%	6.75
	Ex-im Bank Japan 8 02 \$00 Export Dev Corp 8 ¹ 2 98 150	10312	1034		7.15	World Bank 7 01 600				277	FLOATING RATE NOTES			
-	Export Dev Corp 8 ¹ 2 98	10314	60Å		6.68 7.06	YEN STRAIGHTS					bested	H	Offer	C.cpn
•	Econ Capital C 04 1800 Fed Home Loan 7 ¹ 8 99 1500	100%	107			Belotum 5 99 757031	109k	110	ᇫ	122		6.92	99.99	5,5000
	Federal Nati Mort 7.40 04 1500	1015	101		7.23	Credit Foncier 44; 02 75000 EB 6%; 00 100000	1127	113 ¹	-1	214		99.67 99.59	99.77 98.67	5.5469 5.3750
	Finland 7% 04 1500 Ford Motor Credit 6 ¹ 2 02 1250	104 ¹ 8 97	104 ³ 4 97 ¹ 8		726 737	Ex-im Blank Japan 4 ³ 2 03 105000	775 ¹ g	1153 ₈ 114	<u> </u>	125 207	Caneda 14 99 2000 (9.76	99.83	5.2539
	General Mills 0 13 1000 84 Finance S4, 98 650	247	251	<u>ئ</u> د.	891	Fed Nat Mort 2 99 100000	102 ¹ 2	102 ¹ 4	ᅸ	1.19	CCCE 0 06 Ect	9.73	99.96	4.1328
	NS Finance \$4, 98 650 Inter-Amer Day 6 ¹ 2 05 1000	9734	98 95%		8.74 7.25	Inter Amer Day 7 ¹ 4 00 30000	117 ¹ 2	1174	- 2	1.35 1.68		9-82 B.14	99.90 98.77	5.3750 5.7500
	Inter-Amer Day 7 to 05 500	101L	10172		726	key 5 04 20000	117%	11812			Dreedner Finance & 98 DM _ 1000 9	9.98	100.07	3.2500
-	Intl Finance 54, 99500	97%	98 ¹ 8		6.60	Raily 3½ 01 300000 Issiy 5 04 200000 Japan Dev Bk 5 99 100000 Japan Dev Bk 6½ 01 120000	109 ¹	1094		1.16	Fed Net Most - 2 00 1000 @	9.77 9.97	98.87 100.03	5.367 <u>2</u> 5.4375
•	taly 6 03	90-l	94 ³ 4 90 ¹ 4	7	7.18 7.95	SNCF 6% 00 30000	1204 1154	120% 115½		1.57	Hallax 28 0 99 500 10	0.04	100.13	5.5625
	Japan Dev Bk 83 01 500	10434	104 ¹ 2		7.05	Spain 5% 02 125000 World Bank 5% 02 250000	11812	118%	يآس	1.78	1841 Blanck Ind 4, 99	0.32 0.37	100.42	5.7500
_	Korea Bec Power 6 ² s 03	are.	94 1001	4	7.77 7.26	World Bank 54, 02 250000	1167	117	4	1.65		0.18	100,44 100,27	5.9029 4.3125
	Medico 97, 07 1000 Mindin Russia 94, 01 1000	104	10412		9.45	OTHER STRAIGHTS					LVG Bladen-Wuert Pin - 2 98 . 1000 9	9.92	98.99	5.4375
	Minfin Russis 94, 01	975 ₈ 1003	97% 101	4	10.15 7.31	ESPO 144, 96 R 250	99%	89% 1012		15.25 14.38	Marine I CC CCC CCC	6.50 9.69	90.25 90.89	5.8938 6.0625
		1025	102%			World Bank 15 99 R	105	1052		3.88	Nove Scotte & 99 500 9	9.96	100.05	5.6992
~	Ostar Kontrollbank 8½ 01 200	1045	1047		7.08	PTT Nederland 612 08 Ft 1200	1037	104	-	584	Crista 1 (8)	0.10 0.27	100.16 100.34	5.4981 3.3086
_	Portugal 51 ₆ 03 1000 Quebec Hydro 91 ₆ 98 150	93 ¹ 4 103 k	93 ¹ 2	-49	7.20 6.83	Bell Canada 10% 99 CS	1094 1055	110 ¹ g ·	3	5.78 6.78	Quebec Hydro 0 99 500 g	9.50	99.89	5.8164
7	SAS 10 99 200	1043.	1054		7.11	Canada Mag & Hag 84, 99 CS _ 1000	1054	105	يَد	5.60	Perfe 0 98 500 9 Spain - 1/2 0M 2000 10	9.85	100.00	5.4375
Ē	SNCF 9 ¹ 2 98 150	10314	103 ³ 8 98 ³ 4	7	6.72 6.65	Bec de France 94, 99 C\$ 275	108%			5.56 6.34		0.08 8.95	100.13 100.10	3.1875 5,7219
벋	Spain 6 ¹ 2 99 1500 Sweden 6 ² 2 03 2000	974	36	4	7,07	KNW int Fin 10 01 CS 400 Nappon Tel Tel 10 ¹ 1, 99 CS 200	109%			5.82	Sweden -1g C1 2000 8	9.97	100.04	5.3867
3	Termosees Valley 6 00 1000 Termosees Valley 6 8 05 2000	97 ¹ 2	975		6.83	Ontario 8 03 CS 1500 Ontario Hydro 9 02 CS 2000	105%	105%	وَا		United Kingdom → 2 U1 2000 9	9.88	98.90	5.5635
1	Tokyo Bac Power 64 03 1000	95%	95 ¹ 2 95 ² 8	-8	7.06	Ontario Hydro 1074 99 CS	1704 1703			6.62 5.38	CONVERTIBLE BONDS			
i.	United Kingdom 6% 01 2000	100	1001	ь	6.74	Oster Kontrollbank 104, 99 CS 150	10912	109%	بها	5.61	Con		-	_
į	United Kingdom 7 ⁴ s 02 3000 Wait Dianey 6 ³ s 01 1300	1014	102 87%	7	6.85 7.20	Ouebec Hydro 7 04 CS 1000 Ouebec Prov 101 ₂ 98 CS 200	100 ¹ 8	100 ¹ 2 ·		7.10 5.32	saued Pric		Dict Offer	
4	World Bank 6 ³ s 05 1500 World Bank 8 ³ s 99 1500	25	853	4	721	COLUMN SURGO 9 01 Equ 1100	1144	1142		5.37	Affect-Lyone 6% 08 £	4 8	57, 967, 24, 43	+33.58
)	World Bank 83, 99	104 ³ 2	104		6.44	Credit Fonder 8 2 04 Equ 1000	11114	1117		6.33	Ruf Intl Reance 14 02 Y 210000		04 914	
10	DEUTSCHE MARK STRAKHTS					Desmark 8½ 02 Ecu		113 ¹ 4 ·	4		Gold Kalgoorile 71 ₂ 00			
7:	Austria 6 ¹ 2 24 2000		955		6.78	28 10 01 Eq	1162	116% -	4	5.03	Grand Matropolitan 6 ¹ 2 00 718 42 Hong Kong Land 4 01 410 31.0	7 1 8 8	21 1 <u>22</u> No 4915	+068
	Baden-Wuest L-Finance 6 99 _ 2000 Credit Forcey 74 03 2000		104 ³ 2 108 ¹ 3		3.00	TREATO 342 U/ SCU	1144	1149	Į,	6.48	Land Secs 63, 02 £ 84 6.7	Z 113	34, 1164 ₁	-2.93
	Decia France 8% 03	104%	10412		554	Raily 19 ¹ 4 11 Ecu 2500 Raily 10 ³ 4 00 Ecu 1000	1217	11612	L	499	Lesmo 74; 05 5; 90 5.6 MGL Ind Fin 3 02 2000 2	4	96 984	ŀ
	Depta Franca 6 ² g 03	109 ³ g	109-2	Ą	5.55	United Kingdom Gla (1) Feb 2790	1134	1137	ı,	506	Milesi Bark 25: 03 200 2000	≱7U(6 7/	1015 1015	-6.29
	Deutsche Finance 5%, 04 2500 EEC 6½ 00	101 ¹ 2	101 % 106%	4	5 <i>A</i> 7	ASDC 10 99 AS 100	1055	106	Ļ	7.07	Missé Bank 25 03 200 2332 Perrecit 41 03 500 58.805	Ž 18	ر 1164 چو	43.3 1
		105%	1054		4,18	Comm Bk Australia 134, 99 AS 100 BB 74, 99 AS	109k	274	-2	1.00	Seriote Capital 2 (E: 750		_	
	Finland 7 ¹ 2 00	108	108%		4.10	Net Australia Barak 6 \ 90 AS _ 950	456 107-2	90 7a -	-40	6.67	Sappoin 15 00 V action saco	2 100	24, 984, 16 mm	
	Helaba inti Sig 01 1500	103 ² 8	1031	ᇦ	484	NSW Teach Zam 6 95 60 anno	·a	12-2	-4	M2 ·	Sportforce Bank 34 04	9 8	7 837	+26.60
91		104년 102년	1053	J,	9.42 8.17	R & I Bank 74, 03 AS 125 State Bit NSW 9 02 AS 300 Sth Aust Gove Fin 9 02 AS 150	100	III I	146	1.19	Sun Alliance 74, 08 E 155 3.	9 1	20 1214	427.52
<u>15</u>	Norway 6 ¹ 8 98 1500	105-8	1024	•	3.46	Sth Aust Govt Rn 9 02 AS 150	1043a	105 -	-	790	" PIO INCIMIDADA DADROS - comalocus chack	E PRÍMO	g 963	+4.39
ŝ		103	10312	پد	5.65	Western Aust Trees 7% St AS 100	1011	10112	ı,	8.48	# Only one market maker supplied a price	. paras J		

THE TRANSFER MARKET • by Jimmy Burns

Goalposts are moved by Europe's Bosman ruling

Players' freedom is increased, but some clubs fear threat of new cash pressures

The announcement last July that Newcastle United had acquired England star striker Alan Shearer for £15m produced widespread celebration by fans and much talk abut the rise of players' power, but it also instilled a new note of alarm in the ongoing debate about the game's financial future.

The deal smashed the world football transfer fee record, confirming that English football was catching up with other branches of the entertainment industry and professional sports overseas, where the top players have long commanded superstar earnings.

By buying Shearer Newcastle was taking a big gamble, having to earn a return over the next five years on the total £22.5m investment - the transfer fee plus an estimated annual salary of

But apart from raising questions about the club's finances, the deal focused fresh attention on a transfer business that had been revolutionised as a result of the landmark "Bosman" ruling at the European Court of

Under the ruling, reached in December 1995, out-of-contract players worldwide have been given much greater freedom to move from one country to another within the EU without a transfer fee. The court also abolished the rule whereby football clubs could only have two foreign nationals in their

The immediate impact of shift in the cost of players, away from transfer fees and towards higher wages.

Those who believe that the fers.

football industry has danger-ously underestimated the financial impact of the Bosman ruling include Mr Alan Tottenham Hotspur, who owns 40 per cent of the London club.

Bosman could turn out to be the biggest single disaster for football in the last 20 to 30 years," he said. "We have seen an increase in players demanding higher salaries and people prepared to pay them. But the wrong mathematical calculations are being made and the effects in the longer term are going to include the bankruptcy of

some of the bigger clubs." Last year Tottenham cut its squad value to £10.2m to comply with Bosman, hoping that by adopting prudent player valuations it would avoid any holes emerging in the balance sheet in the longer term.

So far few major UK clubs have been prepared to follow Tottenham's lead, gambling on offsetting costs through success on the football fleid and increased merchandising and sponsorship deals. But Manchester United

provides an example of how changes in the transfer system have been a mixed blessing in financial terms, with much of the money saved on transfer fees going in increased player wages. The club's renegotiation of nine contracts and signing of five new players has added almost £7m to the annual wage bill.

Another area of concern arising out of the Bosman ruling has been the negative effect it might have on youth development, the formation of future national squads. and the financial stability of clubs outside the Premier-

In the immediate after-Bosman has been the influx math of the ruling, organisaof foreigners, bringing a tions such as the Football fresh dynamism to the League, the Football Associnational game, and with it a ation, and the Professional Footballers' Association took comfort in the fact that it did not affect domestic trans-

However, legal experts such as Mr Richard Alderson at Edge & Ellison warned that the ruling contained Sugar, the chairman of sufficient "legal encouragement" to those who wished to see it extended to the English domestic game.

Those encouraged by it included Vinnie Jones, the controversial Wimbledon player who earlier this month threatened to sue his club and the Premier League for not allowing him to freely transfer after his contract expired at the end of the season.

The move by Jones was strongly criticised by Mr Gordon Taylor, chief execu-



tiove of the PFA, as an act of "disloyalty" to other players whose future stands to be more negatively affected by the freeing up of domestic transfers.

Chris Hull, spokesman for the Football League, who points out that the annual £25m generated for the lower very significant and vital lifeline for the smaller clubs", without which their existence is threatened.

Nevertheless, English football organisations have reluctantly accepted that the Bosman ruling is irreversible and that vinced he's going to be your the game must accommodate salvation.

As Mr Taylor puts it: "We are looking for ways in which we can refine our domestic system without dismantling the development of youth.

In practice, this has meant an ongoing dialogue with European football's governing body, UEFA, and the formation of a domestic working committee capable of reconciling the demands of the English League with the realities of the post-Bosman

As a result, within the next two years, English football is likely to see further changes to its transfer system. Under proposals already virtually agreed by the FA, the Football League and the PFA, a young player will be signed up on training contracts until the age of 21. If he leaves after that, compensation will be paid to the selling club. Freedom of transfer would extend to all players at and after the age

In practice, several of the bigger English clubs, such as Manchester United, have already anticipated an extention of the Bosman ruling, safeguarding their financial interests by placing their players on longer-term con-Just how many major

clubs will be prepared and able to continue to pay huge fees in order to secure star players remains an open question. However, on the assumption of a continuing rise in TV, sponsorship and merchandising revenue, it is It is a view shared by Mr unlikely that the Shearer contract will be the last of its kind. As long as football remains an increasingly popular sport, and TV revenues division by transfer fees is a keep coming in, the transfer market should go higher in the seasons ahead.

> As sports lawyer Mr Richard Alderson puts it: "If you're a club and you want a superstar, you're going to borrow, beg or steal to get him, as long as you're con-

Mr Irving Scholar, one of Nottingham Forest Football Club, is that unhappy mixture: a revolutionary

who is also a sensitive man. The Tottenham Hotspur fan was an era ahead of the rest of football when he led a takeover of his beloved London club in 1982. In those days, football clubs were sleepy businesses, mostly owned by wealthy

Mr Scholar, a multimillionaire property developer, was tougher during the takeover battle for Spurs he wrote to all female shareholders asking them to sell, betting that they would have little interest in stakes generally inherited from their

He floated Tottenham on the stock market, where no UK football club had gone before, and then tried to to sell clothing and other

Today, almost every big British club is following his lead — with modifications...for Mr

Scholar's early revolution ended in disaster. Like many companies of

the era, his Spurs was seen to have diversified too far. It became such an extended leisure group that at one point it even applied for a kosher licence to cater at Jewish functions.

The leisure businesses ohinged Tottenham into lebt at the end of the 1980s. Mr Scholar then made a secret deal to sell a stake in the club to Mr Robert Maxwell, the media tycoon. He was censured and resigned as a director, but initially clung on as the football club chairman.

After one too many fan chant of "Scholar out!" he quit that post in 1991. He has spent most of the time since in his Monaco tax haven, but he still appears to remember many of the press attacks on him by heart

So why has he returned to English football, to a club where the faus distrust him as a Tottenham supporter and the press dredges up his past?

Roots now put down in Forest



irving Scholar: Many English clubs are now following his lead

One reason is that he is a livewire. Mr Scholar cannot stop talking, and is constantly coming up with ideas. He feels that since he started today's revolution in football finance, he should be in England now to spread his expertise. Also, he thinks he can

A bizarre takeover battle for the club, with bidding groups constantly drouping out or re-forming, ended with Mr Scholar's consortium as the only bidder left standing.

Together with Mr Nigel Wray, property developer and owner of Saracens raghy club, and Mr Phil

feels that he has bought a

investment with the same

club and made an

stim of money.

Soar, a Nottingham journalist, Mr Scholar paid £19m for Forest. The genius of the offer is that the money goes straight into the club. Most of the shareholders received make money out of Forest. no cash but will take shares when Forest floats on the stock market. Mr Scholar

secing his grand plan unravel. Forest, in danger of relegation from the bought the club in February, is now in last place and appears certain to go down. That would hit television income and could reduce total revenues by about £5m a year. Mr Scholar believes his investment will pay off even if Forest is relegated Clearly, however, he would welcome a last-ditch

miracle.

A man of ideas, a success outside football, yet apparently doomed to opprobrium, Mr Scholar must be granted one thing even by his enemies. He loves the game. He took no salary for his work at Spurs, and many of the club's fans today find themselves pining after

Mr Scholar signed Paul Gascoigne, Gary Lineker and Chris Waddle, while his successor, Mr Alan Sugar, no natural fan, appears keener on turning a profit than challenging for

trophies. Perhaps Mr Scholar loves football and great footballers too much to make money out of the game. Famously, he made oans to Spurs players which he never expected to be repaid. And Mr Alex Fynn recounts in *Dream* On*, his book about Spurs, a telling meeting 12 years ago between Mr Scholar and Mr Osvaldo Ardiles.

Mr Ardiles, the club's great Argentine midfielder of the era, had come to ask Mr Scholar for a one-year contract worth £75,000. The chairman did not respond. Mr Ardiles immediately climbed down to £70,000. Mr Scholar told him to get

"You think about it. yes?", asked Mr Ardiles hopefully. "No I won't!" shouted Mr Scholar. "You can have

\$80,000 and a two-year contract. Now get out?' Dream On. Alex Fynn and H. Davidson, Simon and Schuster, London, £14.99

Simon Kuper

HAMMOND SUDDARDS

Advisers to NM Rothschild & Sons Limited, sponsors to Sunderland PLC on its flotation at an initial market capitalisation of £47.7m

Advisers to Umbro on its kit sponsorship deal with Manchester United FC

Advisers to Apax Partners & Co. Corporate Finance Limited, financial advisers to Conrad Plc on the aguisition of Sheffield United FC

Advisers to the Directors and Shareholders on the £28.5m acquisition of Leeds United FC by Caspian Group Plc

A Premier Legal Team

Contact: Andrew Jordan



Moor House, 119 London Wali, London EC2Y SET Tol: 0171 448 1000 Fax: 0171 448 1001 2 Park Lane, Leeds LS3 1ES Tel: 0113 264 7000 Fax 0113 264 7001 rety Court, 10 Jebb Daiton Street, Manchester M60 SHS, Teb 0161, 820 5000, Fax: 0161, 830 5001

Offices also in Bradford and Brussels



Newcastle United PLC

Offer of 40,000,000 new Ordinary shares capitalising the Company at £193,000,000

> Sponsor and Financial Adviser NatWest Markets

> Lead Manager and Bookrunner NatWest Securities



NATWEST MARKETS

Chilean copper mine workers threaten strike Further

By Imogen Mark in Santiago

are to go on strike from Wednes-If it goes ahead, the stoppage is at the mine, which produces 6,000 tonnes a month of high-grade cop-

For the union, which represents virtually all the mine's 363 work-Workers at Quebrada Blanca, a ers, Mr Nelson Fuentes said: "We copper mine in northern Chile, and the management are a long way apart. We are asking for an day morning unless they receive a 18 per cent real rise on our wage, substantially improved pay offer. and the company is offering an average of between 0.6 and 1 per expected to affect most production cent. Obviously, our position is not absolutely rigid, but the company has to come up with some-

behind the wage demand.

The mine is situated 4,400m above sea level in the Atacama desert, the driest in the world. The combination of altitude and lack of humidity affects the health of workers, giving most of them permanent headaches and frequent nose bleeds, Mr Fuentes

Blanca are an important factor sleep properly, so workers feel constantly tired.

As a result, there is a high turnover of workers who leave for health reasons, the union says, but there is no system of compensation.

A further grievance is the conditions in which they take their

Producers close in on Alberta's oil

sprayed on ground-up coppermineral and produce the cathodes. Quebrada management said yesterday that it would not comment on the strike decision until it had

Meanwhile, the 358 workers on lunch-break - sandwiches eaten strike at Escondida, the world's

been informed officially by the

นกโดก

According to Mr Fuentes, work- said. The altitude reduces appe- on the job in a dusty or acid-filled biggest copper mine, are now into ing conditions at Quebrada tite, and also makes it hard to atmosphere. Sulphuric acid is the 11th day of their stoppage. The mine's management claims bearing rock to leach out the that output, at 800,000 tonnes a year, has been reduced by about

> The union leadership was in Santiago yesterday seeking an interview with President Eduardo Frei to ask him to intervene in the dispute. They are seeking a 5 per cent real increase.

zinc use forecast

OFFSHORE

IND OVERS

3833812A THE REAL PROPERTY.

By Kenneth Gooding, Mining Correspondent

Zinc consumption, already at record levels, is to rise strongly again this year and be will in excess of available supply, according to the International Lead & Zinc

Study Group. The group, which counts 30 countries among its members, forecasts world zinc consumption will rise 3.5 per cent from its 1996 level to 7.72m tonnes, helped by a 4.1 per cent increase in demand from western markets, to 6.45m tonnes.

Global refined zinc output this year is forecast at 7.6m tonnes, up 3.6 per cent, with the western world total likely to rise 2.8 per cent to

The study group suggests that imports of zinc by the west from eastern countries will be higher than in 1996 but "western world demand is forecast to continue well in excess of available supply, with a further drawdown in reported stocks". China will reinforce its position as the world's biggest zinc producer with an increase of 71,000 tonnes in output to 1.15m tonnes, the

study group says. Zinc's main uses are in coatings to protect fron and steel from corrosion, alloys for casting and as an element in brasses. Other uses include zinc sheet for roofing and cladding buildings

and zinc oxide for tyres. Zinc prices averaged \$1.036 a tonne last year. well below the peak of \$2,138 reached in 1989. Analysts Ms Amy Gass-

man and Mr Alexander Robinson are forecasting in Goldman Sachs's latest Base Metals Outlook that zinc will average \$1,145 a tonne this year and \$1,235 in 1998. Flemings Global Mining Group is even more bullish. looking for \$1,322 a tonne

ERNSEY

in the same

.3₹3304,38⊕.

Cash copper premium hit

MARKETS REPORT By Kenneth Gooding and Robert Corzine

The premium for copper for immediate delivery on the London Metal Exchange dropped dramatically yesterday as a wave of lending deluged the market. Lending is when metal is delivered to the market on the understanding that it will be returned to the seller at an agreed future date.

Mr Robin Bhar, analyst at Brandeis (Brokers), a Pechiney subsidiary, said the collapse of the premium had wrong-footed traders. "This was the opposite of what was expected."

The premium for cash copper compared with metal for delivery in three months, which soared to \$200 a tonne on Friday, narrowed to \$87 at one stage before ending the day at \$100. But analysts suggested the vicious technical squeeze that has gripped the copper market for

months was not over. "There is more upside left in copper," said Mr Jim Lennon, at Macquarie Equities. Fundamental news continues to be bullish, with labour talks at the 160,000 tonnes a year Chino copper mine in the US ending without a deal and workers at the 70,000 tonnes a year Quebrada Blanca mine in Chile announcing they will strike.

(Prices from Amalgamated Metal Trading)

'With stocks extremely low, any supply disruption has the potential to have a dramatic impact on prices. The balance of risk for copper prices remains very

much on the upside." the LME, aluminium prices continued their recent recovery. Metal for delivery in three months ended the day up \$29 a tonne, or nearly 2 per cent. at \$1.628

ounce from Friday's close. at any price in the spot market for the past two weeks. In London silver closed 7 palladium dropped \$2.55 an ounce to \$157.25.

Oil prices were generally steady, with little news to give the markets direction. Brent Blend for June delivery was quoted at about \$18.29 a barrel in late London trading, two cents up on Friday's close.

Continuing unrest in Nigeria's oil-producing Rivers state, which had influenced prices last week, appeared to have little

Although copper was the main focus of attention on

Precious metals prices fell, led by gold which closed in London down \$2.40 a troy Some traders said gold's fall was options-related, and Mr Grant Sinitis, analyst at MC-BBL, the investment bank, said Russia had been selling cents down at \$4.66 an ounce, platinum lost \$6 an ounce to close at \$373.50 and

impact yesterday.



develop. Mobil Oil Canada, a subsidiary of the US producer, is the latest company to announce plans to invest C\$1bn (US\$716m) to build a plant to extract oil from the region's bitumen-rich sand. Last month Shell Canada, a subsidiary of Royal Dutch/ Shell, proposed to invest an equal amount to build facilities in the area. Mobil expects by 2003 to

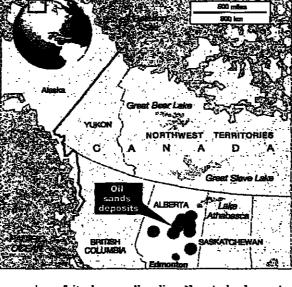
begin producing 100,000 b/d of bitumen, a heavy syrup that must be refined to produce synthetic crude oil. Shell plans to produce 120,000 b/d starting in 2002. Both companies have said

they will pipe their output south for refining at separate facilities. The investment proposals, which must pass feasibility studies and regulatory approval, reflect a growing commitment by the nation's producers to the heavy oil deposits in Alberta's Athabasca region. Imperial Oil, Canada's largest oil producer and

Exxon's Canadian subsid-

iary, is awaiting regulatory

approval for a C\$440m



expansion of its heavy oil extraction operations in the province.

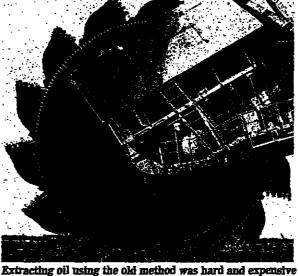
Suncor and Syncrude, a consortium of 10 companies, last year announced plans to increase their oil sands production. Suncor intends to invest C\$1bn in northern Alberta during the next three years, while Syncrude expects to spend C\$2bn over five years. Syncrude and Suncor have

operated in the Athabasca region for 20 years, but the latest round of planned investment, totalling C\$7.6bn over the next decade by large and small Canadian groups, will boost Alberta's importance as an oil sup-

plier. New technology, simplified fiscal arrangements, an increasing US appetite for heavy crude and a proliferation of pipelines to the US market have fuelled the growing interest in the

More important, Canadian that the nation's proven reserves of conventional crude fell from 7.83bn barrels in 1976 to 5.01bn barrels

At present production levels, Canada will deplete its proven conventional reserves in less than 10 years, says Mr Ian Doig, who publishes a Calgary-based energy newsletter.



"Conventional oil is declining. It's getting more diffi- 300-mile pipeline has yet to cult to find, particularly in large quantities," says Mr Neil Camarta, Shell's vice-president in charge of

The Athabasca oil sands are believed to contain government data indicate enough bitumen to produce more than 200bn barrels of heavy oil, of which about 25bn barrels can be extracted with mining techextracted with injection technology.

The drive to exploit the oil sands is not without poten-tial difficulties. A significant drop in oil prices could quickly stall the projects.

Ownership of the proposed be worked out. And environmentalists could oppose development in the Athabasca region on the grounds that heavy oil production generates greenhouse gases such as carbon dioxide.

The region, however, has too much potential to ignore. Oil sands production currently amounts to 22 per cent of Canadian petroleum niques. The rest could be production, but the region could eventually supply more than 50 per cent of the nation's output and become an important supply basin for the US market.

Scott Morrison this year and \$1,653 in 1998.

COMMODITIES PRICES BASE METALS LONDON METAL EXCHANGE

E ALUMENSUM, 96	Cash	3 mtha	Apr May
Close	1602-03	1627-28	Jun
Previous	1589.5-70.5	1598-9	Aug
High/low		1642/1625	Qct
AM Official	1606-06.5	1631.5-32.0	Dac
Kerb close	275 662	1628.5-29.0	Total
Open int, Total daily tumover	276,037 99,567		E PL
E ALUMINIUM AL	•	neses	Jul
Close	1475-80	1505-07	Oct Jan
Ciccie Previous	1450-60	1480-85	Apr.
Histolow	1430-00	1525/1505	Total
AM Official	1475-77	1505-07	E PA
Kerb close		1505-10	_
Open int.	5,662		Jun Coo
Total daily turnover	1,106		Seg Dec
LEAD (S per ton	nej		Total
Close	619-20	629-30	■ SIL
Previous.	619-20	630-1	
High low	992 06 F	640/628	Apr May
AM Official Kerb close	826-26.5	636-36 5 627-28	Jul
Open int	35,726	027-20	Sop
Total daily turnover	6.943		Dec
■ NICKEL IS per h	-		Jaa Total
Close	7335-45	7455-60	100
Previous	7325-35	7435-45	
High Tow		7540.7420	
AM Official	7320-30	7450-60	
kerto clase Open <i>in</i> t	50.390	7440-50	EN
loza dan tumover	15,872		E CR
TIN IS per tonne			
Clase	5685-95	5730-40	
Provious	Sego-700	5740-45	Jun
High-low		5770/5715	Jel
AM Official	5685-86	5725-30	Aug Sep
Kimb clase	677	5715-20	0et
Open int. Tatal dally bulleyer	16.637 3.149		Nov
E ZINC, special hi		er tonne)	Total
Close	1244-45	1266-66 5	# CR
Liese Previous	1247-45	1266-665	
High?ow	.24.0-75	1279/1265	
AM Official	1247-46	1270-70 5	Jun
horb close		1267-68	اول
Open int. Total daily tumover	87,721 20,844		Ang
E COPPER, grade		ol.	Sep Oct
			Nor
Close	2465-67	2365-66	Tetal
Providue: High You	2561-3.5	2372-3 2407/2352	# HE
ANI Official	2520-25	2390-92	
Kerb clasa		2356-57	
Open an	135,093		May
Total daily turnover	67,780		Jam.
LME AM Officia			Jel
LME Closing L/			Aurg Sep
Opt 16235 3 mate: 1621	1 6 autrs 1 6191 9	16169 again	Oct

	price	Cay's change			Yel	Open Int
(pr	111 50	-3.20	115.70	11050	500	528
lay	11160	-1 10	113.80	110 70	6.033	10,504
iun 💮	110 70	-0 90	111.60	109.90	327	2,338
iui 💮	110.70	-0 75	111 55	109 10	5,738	19 162
	108 60	-0.45	-	-	69	1,031
ер	107 Zt	-0 40	107.70	106.10	681	4.974
otal					14,213	49,800
PRE	CIO	us :	MET	TAL S	1	

 LONDON BULLION MARKET Prices supplied by N M Rothschild

HIGH GRADE COPPER (COME)

\$ price 339 90-340,40 341.50-341.90 341.70-342.00 Previous close 342.20-342.70

Loco Ldn Mean Gold Lending Rates (V2 US\$) 1 month4.67 6 months4.65 472.40 478.55 3 moreus 295.10

6 months 1 vuor 299.40 308.40 484 85 498.25 Gold Coise C equiv. 341-343 210-211 49-51

Precious Metals continued

E GOL	D COI	AEX (10	(C) Tree	/ 0Z.; \$	/tray a	<u> </u>
	Sett	Day's				Open
	price	مومعدات	Egh	low	Yol	int
Apr	3399		341.8	340.2	316	27
May	340.2		-	-	-	
هرز	341.4			340.5		
Aug	344.0			343.2		16,42
Qct		-2.5				6.28
Dec	349 6	-24	351 Q	348.8		21,51
Total				_	12,913	
E PLA	TINUM	NYME	X (50	LLON OF	<u>.; \$/60</u>	y 02.)
Jul	372.5	-52				
Oct	373 6			373.5		
بيط.	375 B			380.5		1,18
Apr	378.3	-5.3	3795	379.5	1	7
Total						17,06
	LADIU	M NYM	EX (10)	Troy	z: \$/v	dy dz.
Juna .	156.30	-2.90	157.50	155.50	1,116	6.75
Seg	155.80	_	156.09	155.00	55	269
Dec	156.55	-290	_	-	-	33
Total					1,251	9,82
■ SILV	ÆR (()	MEX (5.0	300 Tro	y oz : Ci	nis iro	(cc)
ADr	461 D	-10.9	_		2	
May		-11.0	4715	457.0		
أعل		-110				
		-110				4,770
Dec		-11.0	488.0	475.0	66	5,54
Jaq	480 7	-110	-	-	-	17
Total					19,154	95,11
ENE		,				
E CRU	DE O	L NYM	3X (1.0	CC ban	rels S	barrel
	Latest	Day's				Onen

NE	RG\	1				
		L NYMI	EX (1.0)	CC bar	rels. S	barrel)
	Latest	Day's				Open
		change	High	Low	Yol	
	19 90	-0 09	20 93	1963	38,059	1064
•	19 92	−n 08	20 02		15,527	51,581
4				19 89	4,741	
P		-0 07		19.85		17,658
2		-0 07		19.65		15,161
4	13.35	-0 05	19 90	1985		13,171
احا					67,452	397,641
CRL	JDE (XI	LIPE	/рапе	Ŋ		
	Latest	Day's				Open
	price	change	High	LOW	Vol	lot
0	18.30	+0 B3	18 34	18.22	635	62.227
1	18 38	+0.04	18.41	18.27	4,366	50,422
9	18 50	+Q Q7	18 50	18.38	470	15,282
P	18 58	+0.08	18 58	18,48	1,711	8,111
1		+Û 10	18.62	18.62	18	
M.	13 60	+0 08	-	-	-	5,171
ш					15,160	167,656
HEA	TING (DIL NYM	EK #20	00 US 9	383.: cU	S galaxi
	Latest	Day's				Open
	price	Change	High	Low	Voi	ht

56.50 +0.60 95.70 55.60 93.70 14.40 51.85 +0.07 54.05 53.45 10.360 35.725 53.85 +0.02 54.00 53.60 47.91 26.245 54.55 +0.12 54.55 54.5 10.61 51.629 54.80 -0.23 55.55 55.00 11.4 7.845 55.70 -0.03 55.95 55.70 261 7.419 27,222 143,141 | 165.75 +0.25 166.00 165.00 4.380 19.857 |
165.05 +0.25 166.00 165.00 4.380 19.857 |
165.05 - 166.25 165.25 2.367 16.579 |
167.25 - 167.25 166.75 1,192 7,695 |
169.00 +0.50 168.75 168.00 860 6.489 |
171.00 +0.50 172.57 170.25 89 2,773 |
173.00 +0.50 172.50 172.25 170 3.396 |
9,119 89,322 M NATURAL GAS HYMEN (NILDO) HATERLE S'INGREUL)

2.085 -0.041 2.110 2.040 14,727 35,390 2130 -0.025 2145 2155 532 22242 2140 -0.020 2155 2130 37.98 14,114 2140 -0.020 2165 2140 2527 12537 2155 -0.018 2170 2150 1.672 15,198 2250 - 2255 2250 533 7,148 30,858 167,877

	NYMEX (42,000 US galls.)					
		Day's change	High	Low	Yel	Open bst
Ŋ	62.20	-0.30	62.50	61.30	12,329	18,425
m	61.15	-0.42	61.55	61 10	8.976	42,527
i	60.45	-0.17	60.50	60 JÚ	3.218	14,560
9	99 40	-0.12	59 .55	59,15	557	5,462
8	58.10	-0.22	58.20	57.90	166	3.020
i	56 40	-0 17	56.45	55.40	236	2.138
لحا						95,405

GRAINS AND OIL SEEDS WHEAT LIFFE (E per torne)

	price	chuag	n High	Low	Vol	lat.
May	83.35	-0.40	93.50	92.85	152	885
Jul	96.50	-0.50	97.25	95.83	308	1,999
Sep	93.25	-0.75	94.50	94.50	10	51
Nev	95.25	-0.75	96.25	94.80	367	3,268
Jan	97.25	-0.75	98.25	96.66	90	1,075
Mar	99.25	-0.75	100.00	98.90	90	556
Total					1,022	7,816
WH	EAT CE	ST (5,00	im uditi	n; cent	≤/80lb b	ushel)
May	412.00	-11.50	422.00	411.00	2 332	3,144
أوا	421.25					
Seo	426.50	-12.00	438.25	424.50	3.040	13.203
Dec	436.50	-10.00	444.00	434.00	1.663	13.865
Mor	437.00	-9.00	443.00	436.00	31	825
Hay	412.00	-8.00	_	~	_	5
Total					28,210	87.824
E MA	ZE CB	F (5,000	bu mi	n; cents	√56 l b b	ushel)
May .	290.75	-3.75	294.00	290.50	20.104	53.090
ы	290.50					
Sep	278.00					
Dec	274.50					
Mar	279.00	-4.00	281.50	278.25	365	9,948
May	282.75				196	782
Total					66.114	24.245
■ BA	RLEY U	FFE (E	per to	nne}		
May	88.50	+1.50	-	-	-	71
Sep	90.25	+0.75	-	~	-	28
Nov	92.25	+0.75	92.25	9C.25	35	809
Jan	94 25	+0.75	94.00	93.50	-	74
Mar.	96.25	+2.75				_

E SCYABEANS CIT (5,000br mix cents/60b testel) 668.25 +0.5 877.00 864.00 16,902 26,441 865.50 -2 876.00 863.75 57,487 89,517 -1 846.50 838.00 5,313 14,661 -6 764.00 758.00 947 7.242 590 75 - 7.25 696.00 699.00 12,125 43,482 696.00 -7.5 700.25 695.00 379 2,825 93,240 186,578

SOYABEAN OIL CBT (60,000lbs; cents/b) 2486 -0.11 25.13 24.84 5,456 14.218 25.29 -0.16 25.59 25.27 13,064 44.589 25.44 -0.17 25.71 25.40 2,965 11,345 25.50 -0.22 25.77 25.50 266 6,634 25.45 -0.26 25.72 25.55 1,151 6,483 25.60 -0.22 25.90 25.53 2,157 17,558 25.60 101,628 SOYABEAN MEAL CBT (100 tons; S/ton) 38,733 117,218

27.5 +7.5 500 +7.8 136.5 +9.5 138.0 132.0 83 1,039 83 1,286 FREGHT (BIFFEX) LIFFE (\$10/index point) - 1270 - 840
-8 1330 1325 45 660
- - 134
-10 1190 1180 10 1,058
-15 - - 469
-5 - - 57 1265 1327

There was a strong and active demand for tea. The Tea Brokers' Association reports. Landed bright and coloury Sast African teas met keen competition and prices rose Sp-10p, Planer Central Africans were about firm. teas were strong and dearer but others

able 166p-169p; good 180p-166p; good medium 150p-155p; medium 135p-148p; low medium 99p-125p. The highest price realised this week was 169p for a Kanya

SOFTS TE COCOA LIFFE (E/tonne)

1022 -11 1030 1018 878 9,985 1044 -10 1052 1038 1,456 23,798 1057 -8 1064 1051 797 13,348 1025 -10 1026 1024 109 29,519 1036 -9 1040 1035 92 30,363 1048 -9 1059 1051 2,608 14,565 -23 1460 1442 21 479 -15 1468 1452 5,529 35,733 -16 1492 1473 749 13,530 -13 1507 1498 916 17,021 -13 1528 1528 703 19,813 -13 - - 364 8,582 8,818 97,218

1158.74 1545 -45 1580 1544 3,870 10,439 1800 -28 1619 1595 4,127 17,703 1620 -28 1629 1615 715 11,160 1820 -28 1629 1615 157 3,479 1603 -25 1610 1600 30 1,536 M COFFEE 'C' CSCE (37.500lbs; cents/lbs) 220.25 +3.90 220.65 216.50 525 2.626 196.40 +3.15 197.50 192.00 5,861 14,771 178.35 +1.65 179.50 175.50 957 6.81 161.00 +1.90 162.00 155.65 594 4,260 150.00 +1.25 151 00 148.50 342 1,780 142.00 -3.40 148.00 142.00 18 265 8,296 30,648 COFFEE (ICO) (US cents/pound)

313.1 -1.8 314.7 312.8 328 11,243 304.8 -1.5 305.5 304.5 331 5,936 302.1 -1.1 303.0 302.0 43 1,575 E SUGAR "11" CSCE (112,000fbs; cents/fbs) 11.49 -0.06 11.57 11.43 8.476 24,774 11.07 -0.07 11.12 11.01 6,548 85,769 10.90 -0.06 10.92 10.95 1,623 33,554 10.84 -0.04 10.65 10.80 800 20,659 10.80 -0.03 10.81 10.80 800 20,659 10.80 -0.03 10.81 10.80 175 4,871 10.73 -0.03 10.75 10.75 333 2,199 M COTTON NYCE (50,000/be; cents/fbs)

71,40 -0.46 72.09 71,40 462 803 73,53 +0.04 73,70 73,20 5,531 41,889 74,96 +0.29 75,00 74,75 167 2,474 78,96 +0.18 75,99 75,90 15,77 23,949 77,10 +0.15 77,10 78,70 16 2,983 77,59 +0.07 77,50 77,52 22 739 ORANGE JUICE NYCE (15,000/bs; cents/bs) 74.60 -1.55 76.50 74.90 3.209 4.968 76.45 -1.30 78.40 78.10 4.878 15.023 79.25 -1.05 80.90 79.00 425 5.758 82.10 -0.80 63.25 82.00 59 2.380 84.55 -0.45 85.75 84.25 93 1,105 88.55 -0.45 67.00 87.00 159 81.5

VOLUME DATA Open Interest and Volume data shown for contracts traded on COMEX, NYMEX, CBT, NYCE, CME, CSCE and IPE Crude Oil are one day in arrears. Volume & Open Interes

totals are for all traded months.

Reuters (Base: 18/9/31 = 100) Apr 28 Apr 25 month ago year ago 1976,3 1984.6 ra 2125.8 CRS Futures (Base: 1967 = 100) Apr 25 Apr 24 month ago year ago 248.27 247.44 **2** GSCI Spot (Base: 1970 = 100)

MEAT AND LIVESTOCK ILLIVE CATTLE CME (40,000lbs: cents/fbs)

> 63.757 -0.075 64.000 63.600 5.778 38,675 64.075 - 64.125 63.825 2.034 24,589 63.560 -0.050 68.400 68.225 1,258 68,622 70.200 - 70.225 70.075 50.075 50 8,484 70.975 +0.025 71.000 70.900 227 \$,605 73.000 +0.250 73.000 70.200 103 975 94.000 94.250 73.000 70.200 103 975 94.000 94.250 70.000 70.200 103 975 94.000 94.250 70.000 70.200 103 975 94.000 94.250 70.000 70.200 103 975 94.000 94.250 70.000 70.200 103 975 94.000 94.250 70.000 70.200 103 975 94.000 94.250 70.000 70.200 70.200 70.200 70.000 94.250 70.000 70.200 70. 83.900 -0.525 84.400 B3.600 3.864 17.754 84.850 -0.200 84.850 84.100 1,841 82.750 -0.125 83.000 82.475 1,214 75.850 -0.125 75.950 75.425 785

72.725 -0.175 72.900 72.500 342 71.500 +0.100 71.600 71.200 IN PORK BELLIES CME (40,000lbs; cents/fbs) 90,800 -1,400 92,300 90 300 1,255 2,588 90.725 -1.125 92.500 90.250 2,339 88.825 -0.650 90.150 88.100 396 78.600 -0.425 77.250 78.600 54

LONDON TRADED OPTIONS

Strike price \$ tonne	-C	4s —	Pt	da -
N ALUMINIUM				
(88.7%) LME	May	Aug	May	Αu
1575	45	82	4	28
1600	27	77	11	37
1625	14	63	23	48
OPPER				
(Grade A) LME	May	Aug	May	Αu
2850	3	73	7	97
2400	9	53	19	12
2450	24	38	44	16
A COFFEE LIFFE	الدف	Sep	Jul	Se
1550	118	179	68	10
1600	93	154	93	13
1650	71	132	121	16
COCOA LIFFE	Jul	Sep	ادال	Se
1000	71	93	27	
1025	57	78	38	
1050	44	65		
BRENT CRUDE				
PE	Jun	أنال	Jun	نبال
1900	22	-	-	-
1950		30	-	-
3000 	4	21	-	-

LONDON SPOT MARKETS # CRUDE OIL FOB (per barrel)

usai	5 77.14-7.21	-0.125
rent Blend (dated)	\$17.92-7.94	-0.180
rent Bland (Jun)	\$18.25-8.27	-0.200
/.T.L	\$19.88-9.92z	-0.170
OIL PRODUCTS IN	Eprompt delivery	CIF (CONNE)
remium Gasoline	\$206-208	
as Oil	\$170-172	
eavy Fuel Oil	\$77-79	-3
aphthe.	\$174-178	+1
st fuel	\$187-189	-1
iesei	S179-181	+2
NATURAL GAS PE	rca/them)	
acton (May)	10,6-10,7	+0.2
aroleum Argus. Tel. Lond	don (0171) 369 87	792
E (May)	10.625	+0.125
OTHER	- 5.02.0	. 4-129
<u> </u>		

Gold (per troy co)-119.0c 45.00c 14.03r Lead (US prod.) Tin (Kuala Lumpur) Tin (New York) 267.5 +1.00 Cattle (five weight) Sheep (five weight) 91.98p 132.30p +0.88* Lon, day sugar (raw) Lon, day sugar (whe) Barley (Eng. feed) Malzs (US No3 Yellon 5318.20 Unq 2109.00

Vhest (US Dark North Rubber (May)* Rubber (Jun)* Rubber (KL RSS No 1) 279.0x conut Oil (Phill) Pairm Oil (Malay.)§ Copre (Phil)§ Soyubeans (US) Cotton Outook'A' index 572.52 +2.5 \$450.0y 228.0 78.70c President of the Stuper) 420p

E per tonne unless observice stated, p personne

f ringgiffly, mill Melayeria consisting to flory v

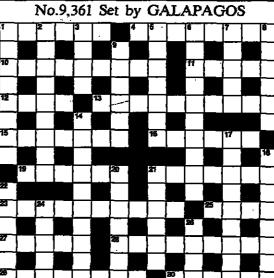
Jan London Physical, 5 CEF Rotterdam, 8 Dat

clope, "Chairge on week, y Saned on 3,223 h

sold. +13

JOTTER PAD

CROSSWORD



1 Having cover of French 1 Under-age characters' matemoney (6) rial (8)
4 Calm, short piece after 2 Gaping at opening of café, leave cut short (8)
10 Avian gets confused but

11 Stand first lager after relaxation (5) 12 Wrong to be cautious after switching openers (4) 13 Stagger about, Gardner 6 comes in and makes things worse (10)
15 Life study takes every class of Latin or Germanic youth

initially (7) 16 Irregular copper takes yacht out (6) 19 An odour rising (6) 21 Change article in token of 14 in fraudulent preparation, regret (7) sed around old money, 17 Scorer, female, has hard

25 New nitrogen gas (4) again (8)
27 Do take first load of hay! 20 Stretching point, sound

hungry start to move down 3 Close, binge mostly broken

in hot position slips two places...(7)
... Tiring, first drops to lifth in showing exaggerated respect (10) 7 Surprise result puts orien-tal off (5)

8 To join up broken stencil, first cut out (6) 9 Gay set's diversion is very theatrical (6) not paid for (4-6)

18 Turn under, tie together junction erected outside (7) 28 Prohibit direct tin refining 21 Attractive minor takes in banker (6)

29 Party in charge is not out 22 Cutter returned fish to 30 Eaten away, despairing, without point or direction 24 Disturbs leading players; one out, one in (5) 26 Distress soldiers in short

Solution to Saturday's prize puzzle on Saturday May 10. Solution to yesterday's prize puzzle on Monday May 12.

CURRENCIES AND MONEY

G7 fails to stem dollar's tide

By Simon Kuper

The dollar edged higher yesterday as traders decided the Group of Seven's communiqué on Sunday was too weak to block the US currency's rise.

The dollar rose strongly after the Washington statement, although it later shed some gains. Mr Carl Weinberg, chief economist at High Frequency Economics in the US, said: "The market's short term reaction was to buy, buy, buy, and then people took their prof-its." Other currency strate gists added that dealers had grown nervous that the G7 might later intervene in the

market against the dollar. The US currency closed in London at DM1.728 to the German currency and Y126.6 to the yen, half a pfennig and half a yen above Friday's closing levels. On exchange rates, the

18.7344 +0.9459 281 - 428 57.8742 +0.1713 497 - 047 10.6789 +0.0265 745 - 333 8.4301 +0.00265 745 - 333 9.4561 +0.0096 524 - 596 2.8040 +0.0068 029 - 051 444.942 +0.05 888 - 187 1.0532 +0.0042 522 - 541 2783.73 -2.4 247 - 496 57.8742 +0.1713 437 - 047 3.1557 +0.0104 541 - 573 11.4832 +0.0261 883 - 001 281.149 +1.002 039 - 256 298.432 +0.571 309 - 555 12.8259 -0.0136 167 - 351 2.3863 +0.0043 850 - 875

G7's statement said "excess volatility and significant deviations from fundamentals are undesirable". It "emphasised the importance of avoiding exchange rates that could lead to the reemergence of large external imbalances." But there was no threat of intervention, and the statement differed little from that issued after the last G7 meeting in Berlin in February. The dollar has

risen since Berlin. Late on Sunday and yes terday, Japanese and German officials made more aggressive comments. Mr Hans Tietmeyer, Bundesbank president, said the US was "interested in a strong dollar but not a stronger

Mr Hiroshi Mitsuzuka,

Pound in New York -- Prev. close 1.8245 1.8238 1.8221 1.6155

19.5522 19.7621 19.59816 58.3193 57.7639 57.7492 10.7493 10.6745 10.6569 8.4980 8.4239 9.5082 9.4524 9.4339 2.8268 2.8028 2.7973 448.355 444,866

2.8286 2.8028 2.7973
448.355 444.886
1.0545 1.0491 1.0529
2808.82 2782.47 2787.13
58.8130 57.7530 57.748
3.1769 3.1510 3.1476
11.5984 11.4538 11.4657
122.336 281.039 281.289
283.110 238.309 236.555
12.7301 12.8167 12.8068
2.4020 2.3850 2.3775

1.4374

Japan's finance minister, said yesterday that the markets should clearly understand what the G7 intended. The effects of the statement he said. Traders read this as a threat that Japan may yet

sell dollars in the market. However, Mr Eddie George, governor of the Bank of England, when asked whether Japan had pushed for joint intervention against a further dollar rise, said: "There was no pressure for that sort of thing." Mr Robert Rubin, US treasury secretary, made no comments about currencies and instead again urged Japan to stimulate domestic demand. Mr Michael Burke, senior

economist at Citibank in London, noted that UK. French and US officials appeared more willing than Mr Tietmeyer and Mr Mitsuzuka to live with a further dollar rise. Joint intervention was unlikely, he said. The rising dollar helped

56.1642 10.4034

0.5 1.0454 0.7 -1.2 2794.76 -0.4 2.7 56.1642 3.0 3.0 3.0563 3.1 2.5 11.1947 2.6 0.0 294.857 0.6 1.9 12.9714 2.0 4.5 2.8754 4.6

1.4062 2.2

2.8 19.8344 2.8 57.4892 2.5 10.6134 2.8 9.5903 2.8 2.7638 0.3 1.052 -1.5 2791.38 2.6 57.489 2.6 11.4302 0.6 261.574 -0.7 236.432 1.8 12.5674 4.5 23596

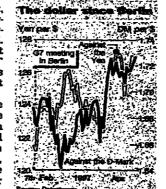
2.5 -0.6 -0.7 1.8 4.5

1.436

2.7838

2,3596

1,4313



the pound, the lira and the French franc gain against the D-Mark

■ The market was braced for an aggressive statement on the dollar, and the G/I's tameness came as a surprise. Mr Weinberg said: "The language of the communiquéwas boring. There was nothing in it to scare people." Mr Burke concurred: "I think

DOLLAR SPOT FOR

the dollar probably goes up further." The statement was "a green light for dollar pur-So why did the dollar rise only modestly yesterday? Mr Avinash Persaud, currency strategist at J.P. Morgan,

said that although the market now believes the G7 will exchange rate levels, there is still a fear that intervention could come if the dollar were to rise much higher. "If there is still some risk of intervention, why hold a long dollar position when the dollar isn't going to go much further up from here?", he asked, adding: We will see the dollar creep

higher, but it's going to be a

Czucii Rp 50.3568 - 50.4304 31.0270 - 91.0570

12.1415 95.59 6.5692 5.1841

35.58 1,9401 7,0759 173,315 145,73 7,7747 1,4851 1,6227

1,2522 7,7474

1.4413

8.7508 -0.1 1.4428 1.8 4.4807 -11.0

35.4525 6.5508 5.1654

5.7932 1.7178 278.205 1.5405 1722.6

-0.5 0.0 -7.6

7.759

7.7479 38.42

3.7512 1.4383 4.5557

12.2860 12.1941 12.1415 35.87780 35.5821 95.59 6.9183 5.6770 6.5692 5.2286 5.1903 5.1841 5.8580 5.8236 8.8142 1.7389 1.7285 1.7241 275.910 273.930 275.835 1.5490 1.5390 1.5411 1723.99 1714.48 1717.75 55.8780 35.5820 35.59

1.9403 7.0548 173.130

145.800 7.7737 1.4893 1.8218

1.0626 1.3670 7.9150

146,500 7,8367 1,4785 1,6263 1,1296

1,0829 1,4002 7,9280

1.2819 1.2811
7.7480 7.7470
25.7703 35.7203
3.4095 3.4082
127.090 125.2095
1.4395 1.4384
26.3940 28.3400
3.7508 3.7504
1.4488 1.4435
4.4472 4.4380
894.500 890.500
27.6500 27.6500

27,6900 27,6500 27,6701

+0.026 541 - 583 +0.039 400 - 600 +0.0151 777 - 782 +0.0152 903 - 954 +0.0049 240 - 257 +0.0089 240 - 275 -0.02 990 - 170 -0.029 405 - 455 +0.099 400 - 600 +0.0198 737 - 922 +0.585 180 - 210 +0.255 600 - 680 -0.0088 737 - 683 +0.003 230 - 238 -0.0011 284 - 291

174-75 35.6500 1.9439 7.0797 173.185 145.640 7.7775 1.4699 1.8234 1.1266

Mr Paul Chertkow, head of global currency research at the G7 might be setting a "bull trap" for the market. The group's aim, he explained, could be to make a tame statement to lure

Company of the second

traders into buying dollars. Once most dealers were long on dollars, the G7 would then intervene against the currency. As all demand for dollar would have already been satiated by then, there would be no dollar buyers left and the intervention would succeed.

But some strategists said strong economic data expected from the US this week could boost the dollar.

■ The Canadian dollar barely softened after Mr Jean Chretien, Canada's prime minister, on Sunday called an early general election for June 2. The currency closed in London at C\$1.399 to the dollar.

MONEY RATES E S LIBOR FT Los 96.33 96,39 98.36 +0.04 +0.03 +0.01 HER MONTH ELECOMARK FUTURES & HEFF Datin points of 100% -0.01 -0.02 -0.02 -0.02 96,74 96,67 96,51 96,38 2.1 103.3 2.0 103.2 1.7 105.3 2.1 82.1 DOME MONTH EUROMARK PUTURES (LIFFE)" DMSm points of 100% Est, voi Ocen int. Open Sett price Change High LOW 2.4 105.5 2.5 104.5 -5.5 65.3 0.0 -96.79 98.79 FE MONTH EUROLINA FUTURES (LIFFE)* L1000m points of 100% 93.09 93.35 93.49 93.51 125064 79093 NONTH SUNO STASS PRANC PUTURES (LIFTE) SF11m points of 100% 96.18 98.14 98.01 97.91 +0.02 +0.04 +0.03 98.18 98.11 97.99 97.92 53464 34187 +0.03 EX MONTH MUNOYEN FUTURES (LIFFE) Y100m points of 100% 99,35 99,18 98,98 +0.03 98.98 +0.01 MONTH ECU FUTURES (LIFFE) Eculin points of 100% Est. vol Open int. 95.73 95.73 95.64 95.54 95.77 95.76 95.66 95.66 +0.04 +0.04 +0.03 95,77 95,76 95,66 95,54 95.73 95.73 95.64 95.54 727 118 25 28 8357 5143 0.23

+0.0007 227 - 236 +0.0008 246 - 259 +0.0032 596 - 715 +0.0567 480 - 686 +0.0003 230 - 258 0,9999 1,0629 1,3987 7,9200 +0.0003 998 - 999 - 626 - 629 +0.0017 984 - 969 +0.0335 150 - 250 1,7279 2.2739 1.7238 2.2666 \$\frac{12815}{-0.0064} \text{ 811} - 819

1.2815 -0.0064 \text{ 811} - 819

7.7475 - 470 - 480

\$5.7450 -0.012 \text{ 200} - 700

3.4064 +0.023 \text{ 032} - 096

128.575 +0.496 \text{ 530} - 820

2.5103 +0.006 \text{ 098} - 108

1.4380 -0.0029 \text{ 344} - 385

26.3570 -0.003 \text{ 400} - 940

3.7505 -0.001 \text{ 504} - 508

1.4450 +0.002 \text{ 440} - 460

4.4400 -0.0115 \text{ 330} - 420

892.500 +0.04 \text{ 500} - 500

27.6700 +0.04 \text{ 500} - 500

28.1150 +0.04 \text{ 500} - 900

40.04 \text{ 500} - 900 2,0804 -0.01 792 - 815
12,5773 +0.0023 734 - 812
58,0295 -0.0087 736 - 833
5,5299 +0.0047 234 - 963
205,482 +0.841 358 - 608
4,0752 +0.0017 734 - 770
2,3360 -0.0043 346 - 374
42,8042 +0.003 486 - 588
6,086 +0.0011 899 - 902
2,3456 +0.0036 436 - 496
7,2079 -0.0174 028 - 129
1448,89 +0.27 528 - 249
44,9195 +0.0732 780 - 830
42,3951 +0.0772 441 - 830
42,3951 +0.0772 441 - 830 12.5969 12.5657 58.1400 57.9736 CROSS RATES AND DERIVATIVES **EXCHANGE CROSS RATES** SKr 3.924 2.805 354.9 2.485 2.126 1.520 192.3 1.346 2.402 1,716 217.2 1.521 (BFt) 100 18.46 15.34 (DKf) 54.19 10 8.854 (FF) 81.20 11.29 10 4,845 1,820 4809 5,454 2,625 0,866 2606 2,955 2,965 1,114 2943 3,338 19.85 485.7 408.5 21.82 10.76 269.2 221.3 11.83 12.15 297.3 250.0 13.36 408.5 21.82 4.123 221.3 11.83 2.294 250.0 13.36 2.523 1,728 0,936 1,058 100.2 267.0 10.10 89.07 244.6 100. 118.9 222.6 117.8 281.1 123.8 173.2 136.9 195.5 4.504 11.99 0.454 4.002 10.99 4.493 5.343 10 5.283 12.63 5.561 7.782 6.149 8.783 1 0.008 0.334 0.916 0.375 0.445 0.834 0.441 1.053 0.464 0.548 0.513 0.732 2.997 0.113 1 2.747 1.123 1.335 2.499 1.323 9.156 1.390 1.537 2.195 8.980 0.340 2.996 8.230 3.364 4.000 7.487 3.963 8.466 4.164 5.826 4.804 6.578 2643 100. 881.8 2422 990.0 1177 2203 1166 2783 1225 1715 1355 1935 2.683 0.101 0.888 2.440 0.998 1.166 2.220 1.175 2.804 1.225 1.728 1.365 1.950

9524 8374 8217 3805 2251 Dec 9.52 9.71 9.83 BASE LENDING RATES

These Notes having been sold, this announcement appears as a matter of record only.

Helaba International Finance plc (Incorporated in Ireland and established in Dublin)

U.S. \$500,000,000 6 7/8 per cent. Guaranteed Notes due 2002

unconditionally and irrevocably guaranteed as to payment of principal and interest by

Helaba

(an institution under public law of the States of Hesse and Thuringia, Federal Republic of Germany)

Issue Price:

101.318%

Interest:

6 7/8 %, payable annually in arrear on April 29

Maturity:

April 29, 2002 at par

Listing:

Luxembourg Stock Exchange

ABN AMRO Hoare Govett

Nikko Europe Plc Helaba

Credit Suisse First Boston

Deutsche Morgan Grenfell

HSBC Markets

Lehman Brothers

Merrill Lynch International

J.P. Morgan Securities Ltd.

Nomura International

SBC Warburg A Division of Swiss Bank Corporation

Tokai Bank Europe plc

UBS Limited

Tokyo-Mitsubishi International plc

OFFSHORE

Traces of

1 and the second of the second o

en como o divine de la companya del companya de la companya del companya de la companya del companya de la companya de la companya de la companya del companya de la companya della companya de la companya della companya della companya della companya della companya della compan

FT MANAGED FUNDS SERVICE

● FT Cityline Unit Trust Prices are available over the felephone. Call the FT Cityline Help Desk on (+44 171) 873 4378 for more details. **OFFSHORE** Darle Dalling Street or Their **AND OVERSEAS** 25.00 4.04 — 5.01 510.79 — 5.07 510.79 — 5.07 510.70 510.7 (REGULATED)(**) A619 600 Sci621.49 C612.498 C612.498 C612.497 E6171.588 F407.787 L241.387 L +0.001 +0001 200 +0003 7.90 -0 210 +007 4.50 +007 6.20 +007 6.20 -1 210 +007 6.20 -1 210 +007 6.20 -1 210 +007 6.20 -1 210 +007 6.20 -1 \$10,235 A\$15,365 C\$25,171 D\$2,471 D\$15,75 D\$460,374 Exr15,212 Exr15,212 Exr15,212 Exr16,215 France,387 France, 18.53 -0.00 4.30 18.10 +0.51 2.57 25.69 +0.01 7.10 14.47 -0.15 0.00 17.76 +0.04 0.00 1.57 -0.02 0.00 Lazard Brothers is 20/22 Lower Heats St IRELAND | FORT | TEN - 7.00 - 5.40 - 1.57 + 1.07 + 1.00 + 8.15 5.85 6.82 4800 4.00 4800 4.21 4000 2.14 4007 2.47 4000 0.40 4005 3.00 4000 Lauryal Stefan France F. 3
Laury Stefan France F. 3
Laury Stefan France F. 3
Laury Stefan France F. 3
Margane F. 3
Ma To be service the Arch 1 STLM 12 STLM 1465 1257 1765 1257 1765 1250 1865 2250 1866 1805 1866 1255 1866 1255 +0.01 4.71 +0.01 2.20 +0.01 5.05 +0.01 2.05 -0.74 -0.03 0.00 | Department | Dep to Pic CALISE 0171 226 7100 -0.01 -+0.00 -+0.10 --0.02 -+0.03 -+0.03 -+0.03 -+0.03 -+0.03 -GUERNSEY -0.000 +0.004 -03 22 -03 22 -04 00 -04 00 -04 02 -0 **科教 196**2 WHY YOU SHOULD BE MORE Year's Eve 1989 will be a great night. Esp -- 505 -- 536 -001 280 -- 1,50 itt & Co **GUERNSEY** (SIB RECOGNISED)

CONCERNED ABOUT THE DATE ON YOUR PC THAN THE ONE ON YOUR CHAMPAGNE BOTTLE.

The Borthern Trust Clobel Cush Funds Pic

Offshore Funds eas Fund Pic 88.00 ISLE OF MAN (SIB RECOGNISED) m, golf 11824 893551
94,9182 0.0780 -0.0509 0.33
93,508 0.3548 -46705 0.9
93,509 0.1520 -0.050 0.9
93,509 0.4609 -0.0760 0.0
0.5300 0.5570 -0.060 0.0
0.5300 0.5570 -0.060 0.0
0.5300 0.5572 -5.0500 0.9
0.0500 0.5572 -5.0500 0.9
0.0500 0.5572 -5.0500 0.9
0.0500 0.5572 -5.0500 0.9 **JERSEY**

99.51 99.55 99.55

\$1,00

\$1.04 \$1.01

Lotus Fund Pic

Hour Silk Road Fund

7 min 7/c 7 min 7/c 21.141 21.254 21.255 21.251 21.251 21.257 21.257

-0.012 -0.031 -0.051 -0.016 -0.018 -0.030 -0.030

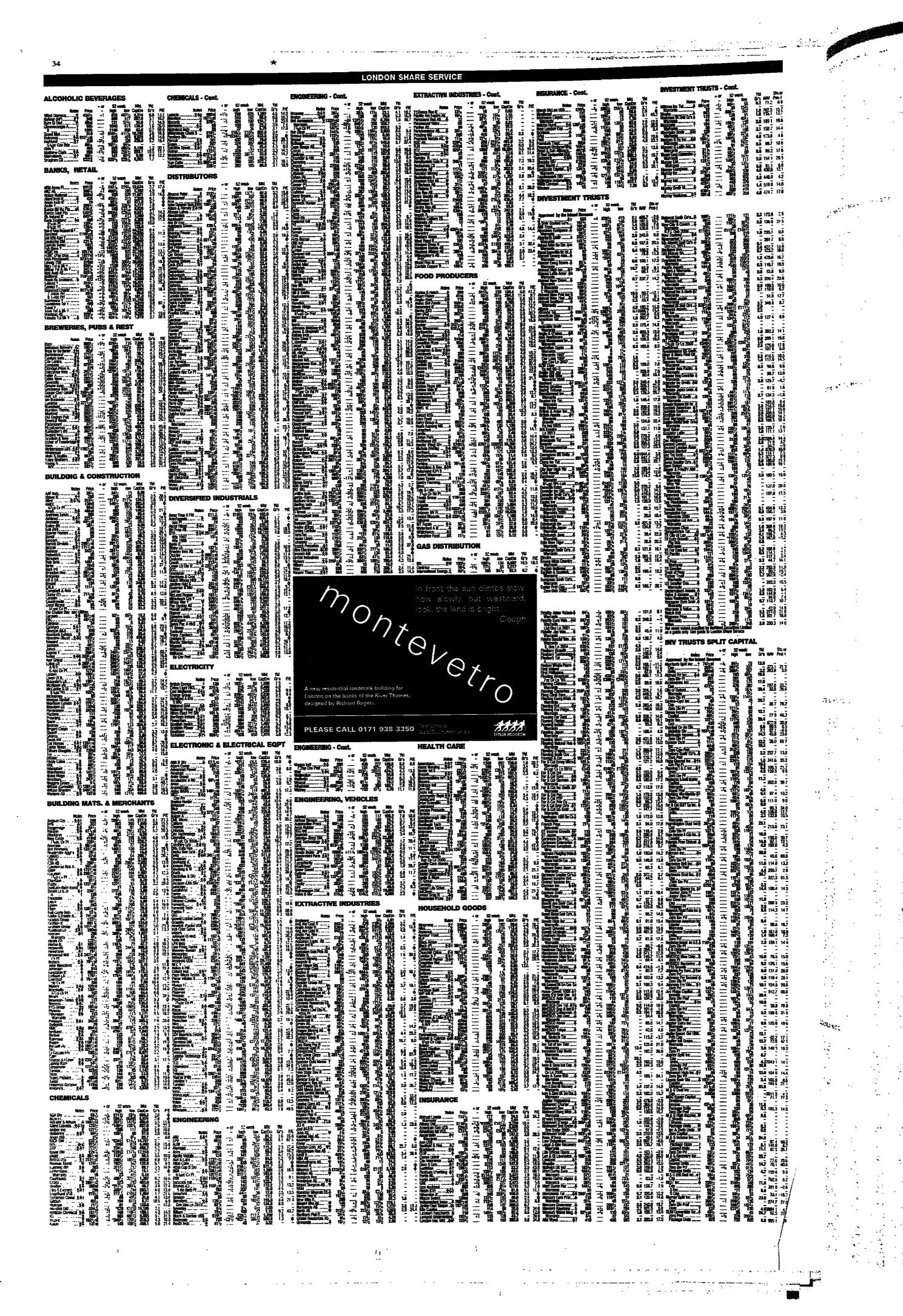
뺾

Starting Board Cases — Barchaya: Globel Javes Bell Heagest Behal Rend P. E.C.I Hangest Sale Fand — BED Heagest Sale Fand — STE Heagest Sale Fand — STE Heagest Sale Fand — USD Sale Fand of Magant (1995) 1.34 m 1206 1.070 — 445 1723 1.557 — 0.53 1837 1.084 — 0.10 1837 1.084 — 0.10 1837 1.084 — 0.10 ISLE OF MAN

| Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | Partie | P Hambous Fond Ma

| St. Strings play at June 2, 20 | 1 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 | 2, 10 |

CROSSWORD



T MANCED FUNOS SERVICE

Other property of the control of the contr FT MANAGED FUNDS SERVICE ● FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Deak on (+44 171) 873 4978 for more details. Offshore Insurances and Other Funds

- -.

. -

. .

.

-

7.

LONDON STOCK EXCHANGE

Election week begins with shares on the up

MARKET REPORT

By Steve Thompson, **UK Stock Market Editor**

A return of confidence on Wall Street, coupled with a strong showing by gilts, helped the UK equity market gradually regain its composure yesterday.

But the market never looked comfortable until the last hour of trading when Wall Street moved into top gear, with the Dow Jones Industrial Average posting a 40point rise ahead of some crucially important economic data.

By the close of trading, the FTSE 100 index had moved up to points. The index was said to be press reports at the weekend sug-Street maintained its composure. market's performance.

There was no disguising the FTSE 250 index was always in its worst on the day to reach 4,493.1, before rallying to end the session a net 4.3 lower at 4.496.2. Similarly, there was very little support for smaller capitalised stocks; the SmallCap index finished 3.5 down at 2,295.2.

Although Thursday's general election remained one of the day's biggest talking points, mara day's high of 4.389.7, up 20 ketmakers said the welter of tantly - the non-farm payroll

looking to break through the gesting a comfortable Labour vic-4,400 level once again, if Wall tory played little or no part in the

"The only business generated lack of interest across the rest of in the market by the election stothe stock market, however. The ries was a sharp increase in betting on the outcome of the elecnegative territory, falling 7.4 at tion by dealers across the City," said one trader.

He said the main focus of attention during the day was on Wall Street, which has to cope with news of consumer confidence and durable goods orders on Tuesday, first quarter gross domestic product, due on Wednesday, the purchasing managers' report on Thursday and - most imporreport for April, expected on Fri- partly because of the recent suc-

Observers said the week's data would provide crucial pointers to the outcome of the next Federal Reserve Open Market Committee meeting on May 20. Another increase in US Interest rates is expected by some observers following the meeting.

Turnover at 6nm reached 673.8m shares, relatively high for a Monday, but that figure included 72m shares traded in two of the market's penny stocks, Dragon Oil and Minmet, which attracted 54m and 18m shares respectively.

Financial stocks once more attracted heavy buying interest, for the market.

share capital.

three-year collaborative dis-

covery research agreement

with SynPhar Laboratories

of Canada to design and syn-

Brent International

slipped 4% to 86%p. The

industrial inks and coatings

company told shareholders

at its annual meeting that,

because of quiet market con-

ditions, resulted in its imag-

ing management business

was trading at levels similar

to the second half of last

Doubts about the strategy

of Anglo-US engineering

group Lucas Varity contin-

shares gave up 6 to 1831/p,

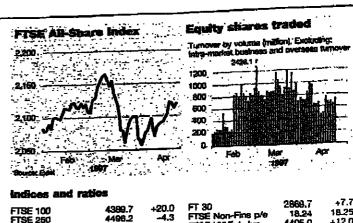
Just before vesterday's

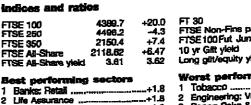
achieved in early 1996.

thesise potential new drugs

cessful flotation of Alliance & Leicester, the building society turned bank, but also because of growing enthusiasm about the forthcoming flotations of the Halifax and the Norwich Union. Banks and insurances occupied eight out of the top nine places in the FTSE 100 performance table.

Sterling's move back over the trade-weighted level. although it eventually finished below that mark, caused few problems to shares in the big exporters. However, dealers and analysts warned that a long list of annual meetings during the week could provide some shocks





.+1.0

+12.0 4405.0 FTSE 100 Fut Jun 10 yr Gift yield 7.67 2 Engineering: Vehicles 3 Paper: Pckq & Print ... 4 Textiles & Apparel 4 Textiles & Apparel 5 Household Goods

Banks trade at peak

By Peter John and Joel Kibazo

The bank sector traded around its all-time relative high with more than a little extra help from the forthcoming Halifax flotation.

Although still a month away, the auction of Halifax shares was thrown into focus by news that the building society set a floor price for institutional investors of

415p apiece. And, as the share price of Alliance & Leicester rises, in contrast to banking analysts' cautious attitude towards the company, the market is busily hiking Hallfax valuations. The current range is between 500p and 550p a

Furthermore, private A&L shareholders saw the share price run away from them and it is expected that Halifax members may be more wary of selling their entitle-

It thus becomes increasingly likely that institutions will struggle to get hold of stock and will have to look elsewhere to maintain their weight in the sector.

Yesterday, four of the six best performers in the Footsie were banking stocks. Lloyds TSB, which offers excellent exposure to the healthy housing market, was top dog with a gain of 19 to a

new closing peak of 576p. bounced after Hambros apol-£11.16%p with continuing and appeared to head off fursupport from speculation ther legal action by the that it will offload its BZW securities arm. There was speculation that J.P. Morgan stantial out-of-court settlemight be interested.

Meanwhile, Royal Bank of Scotland lifted 131/2 to 572p and Bank of Scotland 71/2 to 360p. A&L added 5 at 559p. It was a volatile debut for Cable & Wireless Communications, the merged UK £10m. cable television and tele-

phone service provider. The group's shares started trading yesterday afternoon, with dealing in the London market timed to coincide with the start of trading on the New York Stock Exchange.

The shares opened at 300p. and frantic buying in the first hour saw the stock However, sellers emerged at the higher levels, prompting a retreat which saw the shares close half a penny lighter at 299';p. Turnover was 7.3m.

The new company is valued at around £4.5bn but the limited size of CWC's free float of shares means the stock will not feature in the FTSE 100 index. Its traded shares constitute only 14.7 per cent of the group's total stock. The London Stock Exchange requires a free float of 25 per cent for inclusion in the FTSE 100.

Hambros was buffeted by legal activity surrounding the merchant bank's role as adviser in the failed £1.22hn bid for the Co-operative Wholesale Society.

in the morning, the shares

Barclays added 28 at ogised for its involvement 21/2 to 247p after signing a Co-op. Later in the day, it said it was making a subment and the stock came off its high to close 5 up at 242p. Nevertheless, first indications suggested the settlement, shared by solicitors

Travers Smith Braithwaite

would be no greater than

Chiroscience fell 171/4 to 335p as the biotech company announced a sharp rise in year and below levels full-year losses. Losses widened to £18.7m from £11.64m in the year ended February 23, largely reflecting an 84 per cent rise in research and ued to overhang the shares development spending to as the company confirmed £22.2m. However, some bro- another share buy-back. The kers believe that the fundamentals remain strong and the day's worst performer in touch a session peak of 309p. Pannure Gordon stressed its the FTSE 100. enthusiasm for the stock.

Apr 28 Apr 25 Apr 24 Apr 23 Apr 22 Yr ago "High "Los
 2669.7
 2662.0
 2869.1
 2882.2
 2855.1
 2838.9
 2831.4
 2668.8

 3.86
 3.87
 3.85
 3.88
 3.81
 4.22
 3.76

 17.20
 17.13
 17.17
 17.25
 17.09
 16.71
 18.09
 15.00

 17.02
 16.96
 18.99
 17.08
 16.91
 18.44
 17.87
 15.71

Open 9.00 10.00 11.00 12.00 13.00 14.00 15.00 16.00 High Low 2858.3 2859.9 2864.7 2863.7 2867.6 2866.1 2865.7 2864.7 2868.0 2869.7 2857.8 Apr 28 Apr 25 Apr 24 Apr 23 Apr 22 Yr ago SEAO bargains Equity turnover (£m)† Equity bargains† Shares traded (mi)† 50,735 45,572 46,319 48,378 47,801 34,018 - 1927.2 2177.3 2346.3 1989.6 1688.8 - 39,822 41,067 44,561 50,791 41,421 - 627.1 730.9 733.9 650.4 727.7 †Excluding intra-market and overseas turnover but including Creat turnove

Apr 28 Apr 25 Apr 24 Apr 23 Apr 22 Yr ago "High 1085.8 1085.0 1086.8 1089.6 1089.2 1065.3 1140.4 © FTSE International Limited 1997, All rights reserved. "For 1997,

52 Week highs and lows LIFFE Equity options Total Rises Total Falls Total contracts 29 53 Apr 28 "Data based on Equity shares listed on the London Share Service

British Biotech improved close, LucasVarity said it with support from Lehman had purchased for cancella- Brothers. Lehman said the tion another 2.5m of its ordinary shares from ABN Autro Hoare Govett Securities, one of its joint brokers. The company paid 185p a share for the stock which represents exploration projects. approximately 0.2 per cent of

Lucas Varity's ordinary Last week, the company bought 1m ordinary shares as part of a programme to repurchase around 3 per cent of its own stock for can-

cellation. News of lower than expected figures from US aircraft cialist stationery store manufacturer Boeing weakened British Aerospace. The shares fell 24 to £13.23%p. One market specialist said: "It is a sentiment thing. BAe operates in some similar markets to Bosing." BAe

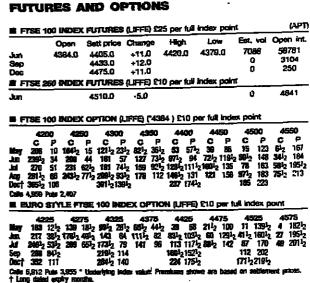
holds a 20 per cent stake in the Airbus consortium. Dealers also suggested in the market about BAe's annual meeting on Wednesday, Last week Vickers used its annual meeting to announce a profits warning, which cast a shadow over the engineering sector as a whole. A buy note boosted Vickers yesterday, with the shares closing 3½ up at 210/ap.

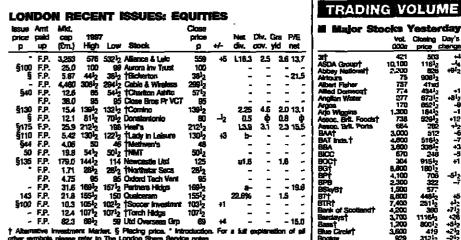
Elsewhere, shares in BSM, the driving instruction group, went into reverse after the company issued a profits warning. The company said profits in the first half of this year could be about half of last year's level, due to regulation

company had a moderate risk medium-term drilling programme, the most attractive valuation in the sector and a series of promising "crown jewel" interpational

Takeover news injected life into Quality Care Homes, the nursing home operator. The shares jumped 37 to 311p after the company said it was in talks that might lead to an offer for

Partners Holdings, a spegroup, made its market debut yesterday. The shares, placed at 150p, began trading at 162p and ended the day at





IUSTILISEUCE

52 week High Low 28.59 3197.52 1798.41 28.34 2844.14 1799.26 51.46 2126.45 1335.84

changes for driving tests. The shares fell 38 or 26.7 per cent to 103%p, the worst performer in the FTSE All BAT shed 7 to 516%p after 1804.81 +0.4 1798.41 3018.83 4.95 1858.52 +0.1 1856.54 2734.24 2.87 1344.26 +0.6 1335.84 2038.13 0.99 a US court ruling on Friday that tobacco could be regulated as a drug. Premier Oil ended the day marginally firmer at 39½p FTSE Actuaries Share Indices The UK Saries Day's Year Div. Net Apr 28 chge% Apr 25 Apr 24 Apr 23 ago yield% cover +0.5 4389.7 4388.5 4387.7 3809.2 3.88 2.07 18.38 64.30 1863.88 -0.1 4500.5 4517.4 4528.4 4553.8 3.57 1.53 22.85 55.04 1865.29 -0.1 4536.1 4554.6 4568.0 4562.3 3.65 1.56 21.94 56.75 1884.83 FTSE 100 FTSE 250 FTSE 250 ex IT FTSE 350 FTSE 350 Higher Yield FTSE 350 Lower Yield FTSE SmallCap +0.3 2143.0 2152.0 2152.7 1928.5 3.68 1.97 17.37 30.44 1864.33 +0.4 2098.1 2079.8 2095.3 1851.3 4.75 1.84 14.28 35.33 1524.05 40.3 2223.5 2230.5 2236.1 5246.5 2.20 22.20 25.16 1594.14 -0.1 2298.67 2300.61 2300.57 2227.05 3.05 1.71 24.02 25.17 1938.68 -0.2 2308.58 2311,18 2312.25 2218.94 3.24 1.78 21.59 28.97 1951.85 +0.3 2112.15 2120.47 2121.13 1911.39 3.61 1.95 17.74 28.97 1884.17 ■ FTSE Actuaries in 10 MINERAL EXTRACTION(20) 12 Extractive Industries(5) 15 Oil, Integrated(3) 16 Oil Exploration & Prod(12) -0.4 4137.94 4134.30 4124.46 4672.80 3.82 -0.8 4228.50 4237.34 4262.53 3522.33 3.86 20 GEN INDUSTRIALS(209) 21 Building & Construction(35) 22 Building Mattis & Merchs(31) 23 Chemicals(26) 25 Electronic & Elect Equip(38

Day's Year Div. Net P/E Xd adj. Total Apr 28 chge% Apr 25 Apr 24 Apr 23 ago yield% cover ratio ytd Return -0.5 4106.92 4114.11 4133.74 3523.16 3.65 2.15 15.93 70.31 1822.18 -0.2 3478.06 3485.90 3499.79 2520.65 1.67 2.19 34.27 35.20 2124.15 -0.3 1958.08 1964.39 1979.21 2165.33 4.09 1.91 18.02 27.24 1108.71 -0.3 1955.08 1964.39 1979.21 2165.33 4.09 1.91 18.02 27.24 1106.71
-1.3 1882.02 1901.06 1894.15 2014.67 425 2.77 10.80 29.04 990.61
-0.3 1882.02 1901.06 1894.15 2014.67 425 2.77 10.80 29.04 990.61
-0.4 22228.37 2239.48 2264.59 2575.36 4.72 1.46 18.14 38.84 1097.71
-0.4 1458.99 1487.05 1483.18 1814.30 48.3 2.04 12.42 28.70 883.50
-0.4 2137.39 2129.49 2149.54 2418.79 3.39 2.46 14.97 30.51 1564.00
-1.2 2713.75 72728.85 2771.59 3040.80 4.51
15 38.44 1454.00
-0.8 1078.76 1083.38 1089.14 1450.15 1.56
0.84 20.10 10.86 684.08
+0.4 4234.44 4250.31 4269.88 3551.00 3.57 1.82 18.22 77.91 1838.31 26 Engineering(99) 27 Engineering, Vehicles(13) 28 Paper, Pckg & Printing(27) 29 Textiles & Apparel(14) +0.4 4234.44 4250.31 4269.88 3521.00 3.57 1.82 19.22 77.92 1838.31 +0.1 2364.51 2365.52 2378.72 2362.92 4.44 1.89 14.91 62.25 1119.61 +0.3 2380.99 2369.55 2394.42 2509.42 3.82 1.87 17.47 50.37 1361.04 -0.7 2321.80 2917.16 2320.53 2726.14 3.56 2.32 15.13 53.41 1192.14 +0.1 2213.41 2230.90 2237.30 2019.25 2.68 1.63 28.59 13.35 1377.89 +1.0 6997.20 6734.88 6787.12 4971.48 2.73 1.71 26.68 104.77 2373.99 -1.3 4368.54 4344.39 4337.01 4167.67 6.28 1.99 10.53 147.58 1147.88 30 CONSUMER GOODS(8 32 Alcoholic Beverages (7) 33 Food Producers(25) 34 Household Goods(17) 35 Health Care(15) 37 Pharmaceuticals(18) 38 Tobacco(2) -0.1 2621.80 2631.55 2635.69 2529.78 2.96 1.96 21.52 27.11 1402.89 -0.5 2716.25 2740.01 2748.36 2964.68 3.99 1.93 19.09 37.40 1030.41 -0.4 3364.05 3383.37 3415.99 3245.75 2.70 1.76 282.6 57.52 1887.79 -0.1 2013.64 2018.14 2022.63 1941.71 4.01 2.99 13.82 22.51 1324.95 -0.3 2064.62 2078.36 2080.54 2064.54 3.24 2.04 18.92 14.61 1270.88 -0.3 2904.65 2903.63 2908.65 2328.65 1.83 2.57 286.3 19.24 1882.59 -0.4 2783.65 2903.63 2908.65 2328.65 1.83 2.57 28.63 19.24 1882.59 -0.4 2783.65 2903.63 2908.65 248.85 1.55 1.26 28.67 30.52 1188.18 40 SERVICESI272 2618.00 40 Sachvices(272)
41 Distributors(50)
42 Lessurs & Hotels(51)
43 Media(44)
44 Retailers, Food(15)
45 Retailers, Genera(50)
47 Brewerlot, Pube & Rest.(22) 48 Support Services(55) 49 Transport(22) 2772.48 +0.7 2728.84 2739.59 2758.98 2591.25 4.88 1.54 18.88 5.34 1248.87 +0.8 2992.97 2974.58 2992.92 29-0.28 5.75 2.18 9.97 22.08 1680.38 -0.8 1508.54 1818.32 1820.00 1592.92 7.64 \$\div \text{t.00}\$ 673.33 +1.0 2224.10 2273.70 2307.11 2152.86 3.65 1.71 20.08 0.38 1074.45 ത ഗ്നപ്പട്ടുമു 62 Electricity(9) 64 Gas Distribution(2) 66 Telecommunications(9) +0.6 2560.16 2531.42 2629.33 2181.32 5.78 2.33 9.27 0.00 1489.70 68 Water(12) ____ 2158.56 2168.97 2178.97 2044.34 3.68 1.86 18.24 27.22 1704.92 69 NON-FINANCIALS(677) +1.4 3930.49 3855.45 3895.28 2872.45 3.60 2.35 14.76 78.92 1795.61 +1.6 5829.05 5878.35 573.64 3915.43 3.36 2.68 13.93 122.52 2029.12 +0.9 1874.02 1683.95 1687.45 1376.14 5.11 2.30 10.63 43.44 1341.36 +1.8 4585.02 4572.86 4561.06 3894.38 3.79 1.97 16.76 121.00 2029.13 70 FINANCIALS(106) 71 Benis, Retail(8) 74 Life Assurance(7) 77 Other Financial(29) +0.1 3117.69 3133.00 3119.34 2639.99 3.34 1.92 +0.4 1870.05 1869.04 1871.79 1587.21 3.40 1.31 28.14 13.53 1195.31 1877.44 60 INVESTMENT TRUSTS(127) 3258.96 +0.1 3256.55 3258.76 3250.92 3278.37 2.24 1.14 48.78 23.47 1163.01 2118.62 +0.3 2112.15 2120.47 2121.13 1911.39 3.61 1.95 17.74 29.47 1884.17 89 FTSE All-Share(910) 1304.08 -0.3 1308.26 1308.94 1308.65 1238.84 2.99 0.78 53.27 12.42 1400.71 1327.35 -0.4 1332.42 1333.27 1333.72 1245.99 3.29 0.75 50.54 13.44 1428.82 10.00 11.00 12.00 13.00 14.00 15.00 16.10 High/day Low/day

Hourly	moveme	ents
	Ореп	9.00

TSE 100 TSE 250 TSE 350	4497.1	4496.7	4496.7	4496.2	4495.2	4494,3	4493.9	4493.6	4498.0	4389.7 4497.2 2150.4	4493.1	
ime of FTSE 100 I	Day's high; 4	30 PM Da	y's low: 8:3	M AND FTS	€ 100 199	6/97 High:	6444.3 (11	/03/97) Lo	er: 4058.6 (10/01/97) .		
FTSE 35	O Indu	stry b	skets	1								
		^^^ -	0 AD 44									

12,00 13.00 14.00 15.00 16.10 Close Previous Change 1252.0 1252.0 1252.0 1252.2 1252.2 1252.2 1252.2 1252.2 1252.1 1251.1 1251.1 1251.7 -2.6 6598.9 6815.9 6830.9 6829.3 6848.8 6844.2 6644.0 6638.0 6878.8 6883.2 6617.2 +86.0 2555.8 2557.1 2574.9 2568.1 2564.2 2564.2 2566.1 2568.5 2571.3 2572.5 2558.5 +16.0 5897.4 5801.8 5822.8 5932.3 5944.1 5942.7 5950.3 5971.0 5883.3 6010.0 5903.4 +106.6

contents information on the FTSE Actuanes Share Indices please contact FTSE International on 0171 448 1810.

D FTSE International Limited 1997.

W Rights reserved. "FT-SE" and "Footsie" are trade marks of the London Stock Exchange and The Familiar International under iconce. † Sector P/E ratios greater than 90 and net covers greater than 30 are



4210 1,0100 17.200 17.74 17.75 17.74 17.75 17.74 17.75 17.74 17.75 1,900
3,100
1,260
1,100
2,600
1,100
3,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100
1,100

A LANDMINE DOESN'T CARE **ABOUT ITS VICTIM. DO YOU?**



This week Diana, Princess of Wales, is visiting Ango to meet victims of landmines and to discover how t Red Cross is helping and supporting victims and their famil

But the problem is not unique to Angola. All over the wor landnings are indiscriminately killing and mainting innoce men, women and children.

Landmines must be stopped. In the meantime the Red Cro is helping to care for the victims, providing life-saving surgiand medical aid. We also provide false limbs for those injured landmine blasts, as well as long-term rehabilitation and ski training to help them support themselves and their families.

This is where you come in. If you care, please give as much you can to The British Red Cross Victims of Landmines Appe Just £25 could help an amputee to walk again. Please retu the coupon with your donation or call 0345-315-315 now. You can help save lives.

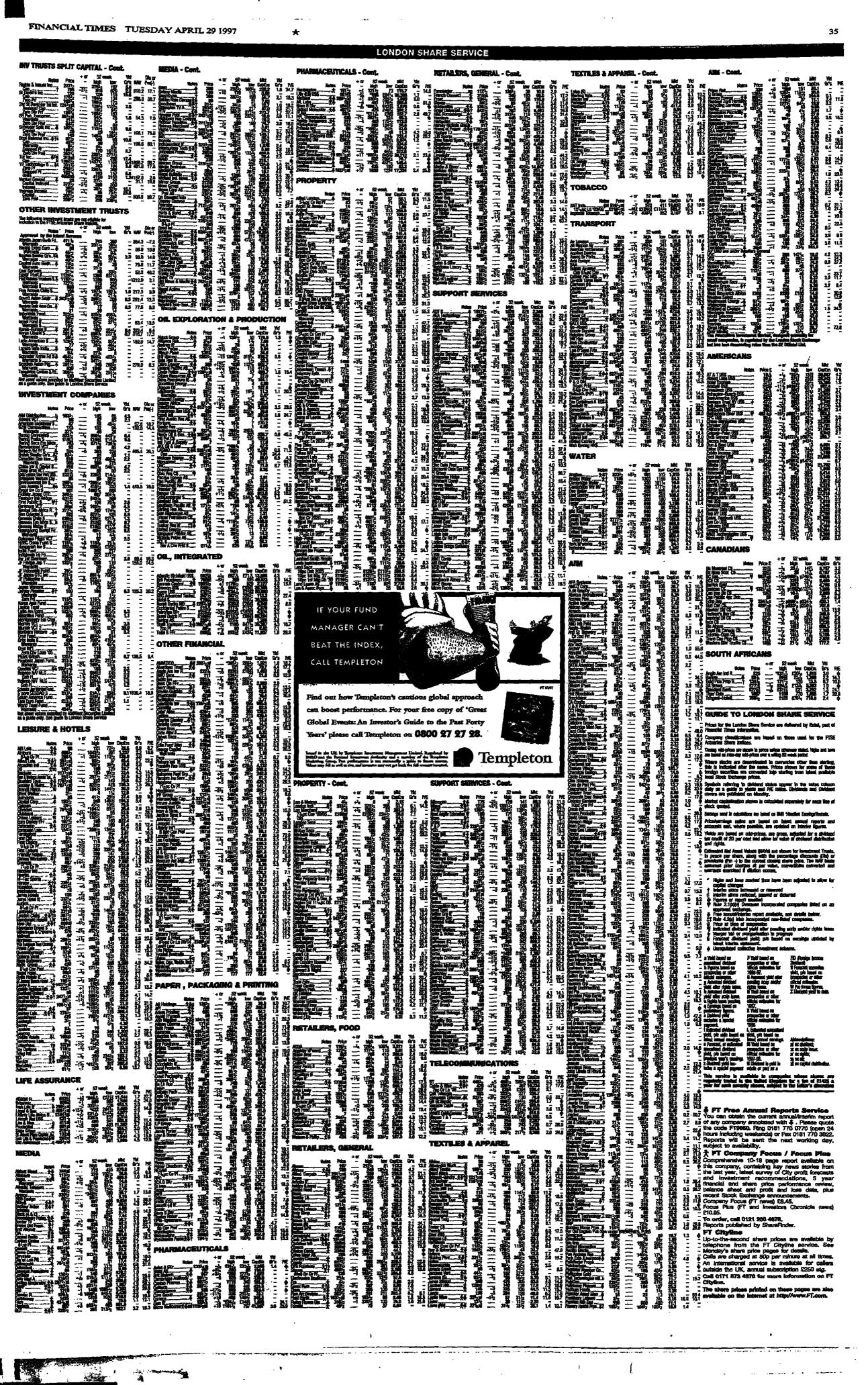
_ 1	
ola i	I would like to make a donation
he	
ies. 1	Or place debt on Visa: Marter Cond. Ameri Propert Cond. Sanath Cord No.
rld İ	(4 base one military and a series are a series and a seri
[Trada is Date Expert Date
nt l	To be been at most manufable on to wood was an information park.
	Mr. Alpo Mass Ms.
oss .	Address
cal I	
	Poccode
in	Telephone
ills	Supracoure
1	Please und the componer
1	British Red Cross, Room 3738, FREEPOST,
25	London SW1X 7BR.
eal.	"I have the life of the second of the second of the second
-ш.	Signal Cold that the First Close Cold flows that the first that the first cold flows the first cold flows the flows the first cold flows the first cold flows the first cold
rn	
1	British Red Cross

Man and 1/4

.

......

.______



4 om close Antil 28

34

NEW YORK STOCK EXCHANGE PRICES | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Section | Sect

THE PY IN THE CHART PRICE TO THE PRICE THE PRI

- D -

1987
Tight Law Sinck.
2019, 1719, Repeth for
5519, 6519, NathCa.
1019, 1019, NathCa.
1019, 1019, NathCa.
1019, 1019, NathCa.
1019, NathCa.
1019, NathCa.
2019, NathCa.
2019, 2029, NathCa.
2019, NathCa.
2019, 2029, NathCa.
2019, NathCa.
2

The FF Community

452, 475, President of Strain President of Str

-P-Q-

| 1887 | 1888 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | 1889 | -0-

For about 1 hours and And the Assessment of

0.80 27 45 28% 28% 28% 28% 18 16 45 85 84% 65 4%

301₂ 251₃ Shederiş 691₂ 583₆ 575 7e 131₃ 111₄ Sabira Mil 2 273₁ 167₅ Sabira Sa 183₁ 143₅ Sabira 183₁ 143₅ Sabira 183₂ 51₂ Sabira 183₂ 51₂ Sabira 183₂ 183₂ Sabira

INTER • CONTINENTAL

FINANCIAL TIMES

-		TANCIAL TIMES	TUESDAY APRI	IL 29 1997		•			
	Hig	ths & Lows shown o		~	1070				•
		- THE LOW YM PAR	+/- High Low 7st P	Æ A/A EA	WORLD S	TOCK MARI	KETS		
	ALSTR	M. (Apr 28 / Sch) 1.860 +10 1.850 1.850 1.850 1.850 1.850 1.150 1.850 1.150 1.850 1.150 1	A A A A A A A A A A	Schlasb 288,50 - 8.50 415 248,51 13 54,8 Mills 288,50 - 8.50 415 248,51 13 54,8 Mills 288,50 145 248,51 13 54,8 Mills 288,51 145 24,5 Mills 288,51 145 24,5 Mills 288,51 145 24,5 Mills 288,51 145 24,5 Mills 288,51 145 24,5 Mills 288,51 145 24,5 Mills 288,51 145 24,5 Mills 288,51 145 288	## 15	+/- Mp Lev Ye Mt St (Apr 22 / Kronor) St (Apr 22 / Kronor) St (Apr 23 / Kronor) St (Apr 24 / Kronor) St (Apr 26 / Kronor) St (Apr 26 / Kronor) St (Apr 26 / Kronor) St (Apr 26 / Kronor) St (Apr 27 / Kronor) St (### ### ### ### ### ### ### ### ### ##		**Yelf PR
Mark St.	09.60p	486.50 -12.5 (186.5 12.5 12.5 12.5 12.5 12.5 12.5 12.5 12	2010 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	April	evi (vgi 20 / N/CINOT)	SS SS SS SS SS SS SS S	## 570 380 13 527 Wants	565 140 12 444 7 Mehr	124 124 95222 Brew 150 150 150 150 150 150 150 150 150 150
	CZECI REP		451 20 +1.90 485 318 11 27 34.6	One thing h	4250 -90 90 2850 105 105 130 130 130 130 145 105 125 78 181 125 13 15 187 580 125 185 185 185 185 185 185 185 185 185 18		## 40 3390 2319 0.4 58.4 One Pr. 5488## +10 3.4	00 1 700 0.6 43.0 imploy	11.9 74700 Letron 10.2 562 160
	Aurical Archard Archar	00 +2000 2000 2700 03 00 +100 2800 1650 03 08 -7.59 411 2205 1.1 17.4 GERMAN 48 -8.57 640 2205 2.4 8.2 72 +2.50 178 60.50 -20.7 90 -8.49 560 850 31 17 17.3 ASImiv	467.20 -1.00 -265.581.51 27 34 15 11 16 18 18 12 15 16 18 18 18 18 18 18 18 18 18 18 18 18 18	changed about - our hallmar technology lea	Rockwell Resident 1 Indian 2 I	1.00	1	1,860 0.3 22.4 1,860 0.3 22.4 1,860 0.3 22.4 1,860 0.3 22.4 1,860 0.3 22.4 1,860 0.3 22.4 1,860 0.3 22.4 1,860 0.3 22.4 1,860 0.3 22.4 1,860 0.3 22.4 1,860 0.3 22.4 1,860 0.7 40.2 1,860	## 19523 Nordald 254
	\$ASSJan 79 \$Saspin 19 \$Sophe	- 69 1255 1.856 0.1 27.5 Asharing a separate of 1255 1.856 0.1 27.5 Asharing a separate of 1255 1.856 0.1 27.5 Asharing a separate of 1255 1.1 27.5 Asharing a separate of 1255 1.1 27.5 Asharing a separate of 1255 1.1 27.5 Asharing a separate of 1255 2.1 2.1 2.1 2.1 2.1 2.1 2.1 2.1 2.1 2.1	486 - 40 1,770 30 1,7	## 5.600 1100 600 2800 2 67 8 FILE PRE- ## 5.600 1100 600 2800 2 1 10.5 ## 7.045 - 45 13.00 6.00 2800 2 1 10.5 ## 7.045 - 45 13.00 6.00 2 1 10.5 ## 7.045 - 45 13.00 6.00 2 1 10.5 ## 7.045 - 45 13.00 6.00 2 1 10.5 ## 7.045 - 45 13.00 6.00 2 1 10.5 ## 7.045 - 45 13.00 6.00 2 1 10.5 ## 7.045 - 45 13.00 6.00 2 1 10.5 ## 1.130 - 72 1.220 76 5.01 2 10.5 ## 1.130 - 72 1.220 76 5.01 2 10.5 ## 1.130 - 72 1.220 76 5.01 2 10.5 ## 1.130 - 73 1.220 76 1.520 4 1 12.6 ## 1.130 - 75 1.220 76 1.520 4 1 12.6 ## 1.130 - 75 1.00 1.520 4 1 12.6 ## 1.130 - 75 1.00 1.520 4 1 12.6 ## 1.130 - 75 1.00 1.520 4 1 12.6 ## 1.130 - 15 1.550 2.370 7 1 10.1 ## 1.130 - 15 1.550 2.350 1 1 10.1 ## 1.130 - 15 1.550 2.350 1 10.1 ## 1.130 - 15 1.550 2.350 1 10.550 2.350 1 10.550	128 / Zoby) 128 / Zoby) 128 / Zoby) 128 / Zoby) 128 / Zoby) 128 / Zoby) 129 - 30	1-100 200 5.200 5.2 27.3 Media 1.600 1 200 5.200 5.2 27.3 Media 1.600 1 200 5.2 27.3 Media 2.7 27.3 Media 2.7 27.3 Media 2.7 27.3 Media 2.7 27.3 Media 2.7 27.3 200 101 13.3 Media 2.7 27.3 200 101 13.3 Media 2.7 27.3 200 101 13.3 Media 2.1 27.3 200 101 13.3 Media 2.1 27.3 200 101 13.3 Media 2.1 27.3 27.3 Media 2.1 27.3 200 101 13.3 Media 2.1 27.3 Media 2.1 27	1	1.0	250 Traff 274 27 28 27 28 27 28 27 28 27 28 27 28 27 28 27 28 27 28 27 28 27 28 27 28 27 28 27 28 27 28 27 28 27 28 27 28 27 28 28 27 28 28 28 28 28 28 28 28 28 28 28 28 28
	### 45 Apr 28 / Apr 2	-50 121-90 65-50 123 11.4 Mannes 686110 97-10 67 34 6.5 Marris 710 97-10 67 34 6.5 Marris 8210 13 1.50 0 18 Island 34.6 Marris 123	88 - 3.00 +10 274 2.4 ACCI II S	B.Janos (Apr 28 / Ps.) B.Janos (Apr 28 / Ps.) 131.10 -40 145.70 51.10 12 142 137.30 +50 145.30 70.40 2.0 2.12 130.25 -140.30 83 13 30 35 30 37 30 30 30 30 30 30 30 30 30 30 30 30 30	0 +15 4 -20 1 -20 1 1 2 2 1 2 1 2 2 2 2 2 2 2 2 2 2 2 2	10 200 200 11 - 1 200 100 10 200 100 200 200 200 200 20	22 20 0 15 0 15 0 15 1 16 1 16 1 16 1 17 20 1 17 20 1 1 16 1 16 1 17 20 1 1 16 1 16 1 17 20 1 1 16 1 16 1 16 1 16 1 16 1 16 1 16	2 0.9 60.4 immedia 2.00 0.0 3.10 2.05 4.5 173 6.6 15 5.47 immedia 2.00 0.0 3.0 2.05 4.5 173 6.6 15 5.47 immedia 2.00 3.0 3.0 2.0 2.0 3.0 173 6.6 15 5.47 immedia 2.00 3.0 3.0 3.0 3.0 1.0 3.0 3.0 3.0 3.0 1.0 3.0 3.0 3.0 3.0 3.0 3.0 3.0 3.0 3.0 3	1535 Western 702 - 204 - 205 -
Ang Gan Au	133.00 135.00 13		1	Apr Apr Apr Apr 28 28 25 24 Rg 1410.85 1411.53 1419.09 1480.85 89 (44/68) 1854.07 1855.46 1653.75 1829.21 89	US (ND 1997 — Down Johns 1998 1994 1998 1994 1998 1994 1998 1994 2 1994 2844	Apr Apr Apr 1997 S 25 24 23 Migh Low M W38.87 6792.25 6812.72 7086.16 6391.50 7 (11.29 (11.44 101.54 103.85 101.00 (11.49 (11.44 101.54 103.85 101.00 (11.49 (11.44 101.54 103.85 101.00 (11.44 103.85 101.00 (11.44 103.85 101.00 (11.44 103.85 101.00 (11.44 103.85 101.00 (11.44 103.85 101.00 (11.44 103.85 101.00 (11.44 103.85 101.00 (11.44 103.85 101.00 (11.44 103.85 101.00 (11.44 103.85 101.00 (11.44 103.85 101.00 (11.44 103.85 101.00 (11.44 103.85 101.00 (11.44 103.85 101.00 (11.44 103.85 101.00 (11.44 103.85 101.00 (11.44 103.85 101.00 (11.44 103.85 101.00 (11.44 103.85 101.00 (11.44 103.85 103.85 101.00 (11.44 103.85 103.85 103.85 101.00 (11.44 103.85 103.85 103.85	790 405 1.2 833 471 1.0 482 MISTRALIA (Apr 28 / Austis) MPC 081 471 1083 173	784.8 3.29	ABEA 28.50 - 22.80 19 23 18.0 ABEA 28.50 - 27.80 29 23 18.0 ABEA 28.50 - 76 34.80 33 9.8 ABEA 28.50 - 76 34.80 32 25 ABEA 28.50 - 76 34.80 32 25 ABEA 28.50 - 76 34.80 32 25 ABEA 28.50 - 26.50 26.50 26.10 ABEA 28.50 26.50 26.50 26.10 ABEA 28.50 26.50 26.50 26.10 ABEA 28.50 26.50 26.50 26.10 ABEA 28.50 26.50 26.50 26.10 ABEA 28.50 26.50 26.50 26.10 ABEA 28.50 26.50 26.50 26.10 ABEA 28.50 26.50 26.50 26.50 26.10 ABEA 28.50 26.50 26.50 26.50 26.10 ABEA 28.50 26.50 26.50 26.10 ABEA 28.50 26.50 26.50 26.50 26.10 ABEA 28.50 26.50 26.50 26.50 26.10 ABEA 28.50 26.10 ABE
Trade Belg BFIE Bruz Bowe Com Metal Comp Rode Char GFIe GFIE RODE FIE RODE FIE RODE FIE RODE SEF 2:	pa(20/12/63) ada k Mahy-(1975) ansis-(1975) ansis-(1975) ansis-(1975) ansis-(1975) ansis-(1971) ansis-(197	9 402.21 402.27 406.03 484.23 11 120.25 120.22 1215.27 1206.03 11 2217.16 2202.22 2223.49 2223.49 24 40 9732.0 9708.0 9637.00 74 40 9732.0 9752.0 9708.0 9637.00 74 40 9732.0 9752.0 984.8 6332.90 10 40 9752.5 9864.8 6332.90 10 40 9752.5 9864.8 6332.90 10 40 9752.5 9864.8 6332.90 10 9752.5 9864.8 6332.90 10 9752.5 9864.8 11/2 2552.25 2552.25 2552.8 10 9752.9 1716.5 1816.30 10 9752.9 1716.36 1718.6 1816.30 10 9752.2 2552.25 2552.25 2552.25 2552.25 2552.25 1706.26 1816.30 10 9752.25 2552.25 2552.25 2552.25 1706.26 1816.30 10 9752.25 2552.25 2552.25 2552.25 2552.25 1706.25 1706.36 1718.6 1816.30 10 9752.25 2552.	12	ad additional and a second and	2 3399.46 211 Utilides 3 720.80 211 DJ incl. Day's high 5782 21 1 2257.46 1/4 Standard and P Composin; 2 1699.03 211 Industrial 2557.51 284 Flamcial 2565.67 21 Industrial 483.25 284 Flamcial 1230.90 24/4 Fase; Comp. 17	200.47 210.73 211.99 240.25 209.47 2 221) (254) (355) (356) (377) (254) (255) (356) (377) (256) (356)	199.77 5.99 # Professor 17.39 - 17.25 2.05 18.58 17.39 17.39 17.30 17.30 18.50 18.50 17.30 18.50 18.50 17.30 18.50 18.50 17.30 18.50	5.5 17.0 Hebra: 12.20ml +20. 7481 15.00 1.7 18.1 5.20 1.2 1.2 1.2 1.2 1.2 1.2 1.2 1.2 1.2 1.2	SH 170 1250 1252 20 2250 1250 1255 125 14 15 15 15 15 15 15 15 15 15 15 15 15 15
George FIZ Al Correct Correct DACLS Great Albace Hong Hang S Index Interes Int	Page 1/2/25/25/25/25/25/25/25/25/25/25/25/25/2	1161.70 1165.74 11772.72 1182.88 118 3400.8 3472.40 3490.8 3472.20 282 3853.06 3574.10 3397.35 3490.88 11/3 (c) (c) 1455.95 1466.85 3444 12510.17 12845.76 12720.83 13880.24 2071 3825.51 3825.57 3805.72 3804.84 4/3 655.53 652.47 652.96 712.80 282 5025.42 3022.63 3024.17 3088.83 11/3 758.41 (c) 754.96 762.71 10/2 1141.0 (c) 1130.0 11872.83 10/2 10670.37 18612.85 18680.07 18440.00 6/1 273.77 274.79 284.89 282.45 6/1	Spein 3 988.21 2/1 Madrid 5530 3 2675.80 2/1 Sweden	1295 501.17 469.21 502.18 504.41 234 1237 2610.5 2650.8 2576.2 2632.40 103 131/1255	811.05 7/1 III RATION 434.54 2/1 Dow Jones Ind. () 2018.79 2/1 S & P Ind. Div. y 1817.95 13/1 S & P Ind. P/E n 1318.14 6/1 III MEW YORK / 804.15 6/1 Pidey Storic 144.05 2/1 Pidey Storic 145.28 2/1 Pidey Storic 145.28 2/1 Pidey Storic 158.28 2/1 Pidey Storic 158.28 2/1 Pidey Storic 158.28 2/1 Storigs Tca 3,463, 158.24 3/1 Westforghes 3,003, Open	Apr 25 Apr 18 Apr 11 Av. Yleid 1.82 1.82 1.94 Apr 23 Apr 16 Apr 9 eld 1.80 1.82 1.83 dio 22.19 21.85 21.72 CTIVE STOCKS IN TRADMIN ACTIVIT Close Change Volume (million) Close Change Volume (million) Close Change Volume (million) Close Change Volume (million) Close Change Volume (million) Close Change Volume (million) Close Change Volume (million) Close Change Volume (million) Close Change Volume (million) Close Change Volume (million) Close Change Volume (million) Close Change Volume (million) Close Change (million) Close	7.1262 22.710 Newerics 55.77 - 113 7.78 2.08 2.10 1.00 1.00 1.00 1.00 1.00 1.00 1.00	- Marker 1985	10. 255 — \$\overline{0}\$ 30,50 24 14.5 \$\overline{0}\$ 17.55 — \$\overline{0}\$ 30,50 24 14.5 \$\overline{0}\$ 17.55 — \$\overline{0}\$ 27.0 3.2 13.9 \$\overline{0}\$ 18.50 — \$\overline{0}\$ 27.50 3.2 13.9 \$\overline{0}\$ 25.0 — \$\overline{0}\$ 27.50 2.2 12.5 \$\overline{0}\$ 30.50 — \$\overline{0}\$ 26.50 2.2 13.0 \$\overline{0}\$ 30.50 — \$\overline{0}\$ 36.50 2.2 13.0 \$0
Apr May	2550.0 2535.0	estPrice Change High Los : landetd 2555.0 +20.0 2555.0 2534.1 2540.0 +20.0 2540.5 2518.1	r Est. vol.Open Int. D 25,794 28,695 Apr 20 5 30 12,638 May 20	018:00 2021.00 -15.00 2024.00 1985.00 126.00 2012.00 -41.00 2028.50 2005.00	Est. vol.Open Int. 5,308 19,825 Milded 225 Milded 225	769.20 +0.30 769.85 767.80 65,01 775.90 -0.80 776.90 775.90 30 httprice Change High Low Est. vo	TOKYO - MOST ACTION OF	OCKS: Monday, April 28, 1997 Closing Change	T Price Amendal Resports Services to delph the count despots of any mine of the price of any mine of the price of any mine of the price

US stock prices rallied in morning trade, apparently buoyed by the string of positive first quarter earnings reports released last week. writes Tracy Corrigan.

Against a flat bond market, the Dow Jones Industrial Average gained 30.11 to 6.768.98 by midsession, with price rises spread across the spectrum of companies and

"Despite its volatility last cally flat." noted Ms Abby Cohen, chief investment strategist at Goldman Sachs. Yet there had been "wonderful corporate reports. We positive surprises than negative".

As the first quarter earnings season wound up, the market benefited from fourth quarter. another earnings surprise. Atlantic Richfield rose \$21/2 to \$136% after the company's first quarter earnings per share significantly outstripped analysts' forecasts. The company reported earnings per share of \$2.95, compared with estimates of \$2.68

Technology shares were strong, in spite of news that intel and Dell were cutting their prices, as analysts said that price cuts were usual and prices in the sector were generally holding up well. Intel rose \$2% to \$146% and Dell gained \$21 to \$801 a.

large aerospace companies due to merge, fell after Boeing undershot analysts' first quarter earnings estimates. Boeing dropped \$51/2 to \$961/2 and McDonnell Douglas fell \$2% to \$57%. Boeing said that competi-

McDonnell Douglas, the two

tion for new orders "remains intense" and warned that its operating margin for the rest of 1997 was likely to be somewhat lower than in the first quarter. Trading in McDermott

week, the market was basi- international failed to resume trade after the energy services issued a profits warnings. The company and its J Ray McDermott unit were expechave had many more ted to show results "significantly below" last year's levels. The company said that it expected to show a loss of \$180m-\$200m in its

> TORONTO stayed on the downside throughout the morning session in spite of the solid upturn on Wall Street. Banks were dull and golds racked up some fairly stiff losses. At noon, the TSE-300 composite index was off 2.01 at 5.834.00.

> Among leaders, Hudson's Bay jumped C\$1.10 to C\$27.60 following news of management changes. Alcan Aluminium put on 35 cents to C\$46.10 while Seagram rose

> 65 cents to C\$52.75. Barrick Gold shed 30 cents to C\$30,50 and Placer Dome

Frankfurt enlivened by Hoechst upgrade

Wall Street rebounded before the European close but the move came too late to affect

the broad tenor of the day. Most bourses experienced very low activity ahead of the May Day break and Friday's key US employment FRANKFURT improved in

dull volume with the Dax hardening 15.39 to an Iblsindicated 3,372.96, helped by high jinks at Hoechst following an upgrade at Merrill Lynch.

Shares in the chemicals leader, a dull market in recent weeks, bounced DM1.20 or 1.8 per cent to DM67.40 after the US broker moved from "neutral" to "accumulate".

Merrill's long-term rating remained at buy. It has upgraded its intermediate stance as a result of Hoechst broadening business mix and the group's greater focus on life sciences.

Other brighter spots included Henkel, up DM2 or 2.2 per cent at DM94 on solid first quarter sales, and SAP which continued to benefit from last week's upbeat results and added DM2.50 at DM311.50.

The broad upturn for airline stocks washed over on shares. KLM put on 70 cents to Lufthansa, which put on 30 pfg to DM23.85. BHW, the construction finance group,



made a strong debut, rising to DM27.70, against a flota-tion price of DM26.

AMSTERDAM absorbed another bad day for Akso Nobel to trade modestly higher in low volume. The AEX index closed 2.86 better at 749.76. Akzo continued to suffer

from Friday's disappointing results, which took traders by surprise and led to instant earnings downgrades. The shares fell FI 9.50 to FI 252.50 for a 2L0 to 4.793.3. two-day decline of more than 7 per cent. Bolswessanen, up 70 cents

to Fl 56.20 after management changes at Northwest Air- in response to a firming line of the US led to hopes

for a broadening of the KLM Northwest partnership.

PARIS traded narrowly, oscillating within a range of less than 20 points in subaverage volume of 5.2m shares. The CAC 40 index ended 13.99 higher at 2,550.25. The latest opinion polls

supplied a steadying influence, pointing to a comfortable majority for the ruling centre-right coalition in the forthcoming elections. But dealers said investor interest remained low. Retailers were a feature.

Casino jumped FFr8.00 or 3.1 per cent to FFr265.50 after a renewed upsurge of takeover speculation. Promodes, long seen as the prime suitor. added FFr30.00 to FFr1,898. Carrefour gained FFr65.00 to FFr3,474. Among insurers, GAN fell

FF12.40 to FFr151 ahead of today's results statement. ZURICH put in a firm performance after Friday's pull-

back although activity was muted as investors awaited this week's US economic data. The SMI index added UBS outperformed in active trade, making up for

its recent dull showing. The or 1.9 per cent at F138.60, shares added SFr12 at was well dealt at 750,000 SFr1,353.

Nestlé also had a good day, rising SFr17 to SFr1,771,

FTSE Actuaries Share Indices THE EUROPEAN SERIES Open 10.30 11.80 12.00 13.00 14.00 15.00 Close Hourly changes FISE Eurotrack 100 2195.32 2195.03 2194.74 2194.84 2194.13 2193.14 2192.78 2192.47 FISE Byrotrack 200 2223.03 2232.42 2232.94 2233.36 2233.49 2231.94 2232.05 2231.19

Apr 25 Apr 24 Apr 23 Apr 22 Apr 21 2201.54 2201.74 2184.56 2185.17 2241.99 2234.65 2219.55 2212.87 0 - 2238.15 (neiter 100 - 2191.46 200 - 2223.47 (Partial 2196.79 2206.54 2233.11 2241.99 Brow value 1000 (25/10/65): Highligh 100 - 2195,62: 2 G FISE International Limited 1997. All rights measured.

last week, gave up SFr6 to
SFr1,650; after the market 34.85 or 1.3 per cent to closed, the company con- 2,577.88. firmed last week's speculation that it planned to set up a new division for its Alter native Risk Transfer Market

Registered shares of SMH. the watchmaker, jumped SFr2 to SFr192.50 after the chief executive said he expected an increase in 1997 sales and profits.

STOCKHOLM saw a sharp early fall in Ericsson, mirroring a tumble in New York on domestic interest rates and Friday after a 30 per cent rise in first quarter pre-tax the outcome of the first profits failed to live up to top of the range estimates. The shares dropped 7.2 per cent in early local trade before recovering to close SKr12 weaker on the day at SKr237.50.

Pharmacia & Upjohn also remained under pressure, losing SKr13.50 to SKr218.50 and extending its losses to more than 20 per cent since the company issued its Pta6,010 in the wake of its

Swiss Re, sharply higher profits warning last week. The general index lost

HELSINKI was weak as investors sold off Nokia in the wake of Ericsson's losses and anxiously awaited Nokia's first quarter profits statement, due at noon

today. The Hex general index fell 18.89 to 2,858,90 as Nokia A shares ended FM5.50 lower

MILAN was weak as hopes faded of an early cut in as the market mulled over round municipal elections at the weekend. The Comit index lost 6.57 to 758.41. Fiat slid L70 to L5.359 as

Friday's first quarter results failed to live up to some expectations. MADRID picked up on renewed demand for selected

stocks and the general index finished 1.96 higher at 501.17. Repsol sank Pta70 to

privatisation offer and as investors awaited details of the final offer price which was due to be set after Wall Street closed.

ISTANBUL lost 1.7 per cent in thin trade on persistent concerns over the outlook for the Islamist-led government in spite of comments by Mrs Tansu Ciller, the deputy prime minister, who expressed confidence that the coalition would survive. The IMKB National-100 index, sharply lower last week, fell 25 to

1.441. WARSAW was lower for a third straight session with Friday's decision by the central bank to increase mandatory reserves on zloty term deposits adding to the market's woes. Analysts said the decision could hurt the overall market as well as the banks, which made up 40 per cent of the main market's capitalisation. The Wig index fell 352.5 or 2.1 per regi

cent to 16,316.6. The day's biggest loser. Espebepe, fell nearly 10 per cent for the third straight session to 4.65 zlotys after last Thursday's news that the largest creditor of the debt-ridden builder was opposed to the debt restructuring that the group had proposed.

Written and edited by Michael

Shares in Boeing and retreated 15 cents to C\$22.10.

public holiday. Dealers said there was limited action. with all eyes of the foreign exchanges where the peso showed signs of softening.

was off 11.09 at 3,771.53. Empresas turned in steeply lower first quarter results although earnings sidelines," said one trader. were still at the top end of construction group was able 715.87.

MEXICO CITY traded to point to a strong upturn quietly ahead of Thursday's in gross margins. The shares

Mexico City edges down

MARKETS IN PERSPECTIVE

1 Week 4 Weeks 1 Year Start of Start of Start of

BUENOS AIRES ran into modest profit-taking after last week's steady gains. Brokers said little business At midsession, the IPC index was transacted. "Its all to do with Friday's US jobs data. Everybody is hugging the

At midsession, the Merval broker expectations and the index was 0.39 higher at

% change % change sterling † in USS †

	 		_			_	
PACIFIC :		279.71.	In	Lond	on, 1	the	
FACIFIC		Nikkei	50	index	rose	2	
	 					-	

news was in store sent SINGAPORE tumbling to a 42-month low. Talk that the government would impose housing sent the property index down 2.4 per cent, and contributed to a 22.81 or 1.1 per cent fall in the Straits Times industrials index to

City Developments led the falls in active trade with a 70 cent drop to S\$12.

UOB Foreign also shed 70 cents to hit a six-month low at S\$13.40 with some foreign funds said to be sellers.

TOKYO finished slightly higher but in slow trade that traditionally marks the beginning of Japan's "Golden Week" annual holiday, when many domestic

The Nikkei 225 average gained 57.51 to 18,670.37 after moving between 18,545.05

Markets in Johannesburg were closed yesterday for a public holiday.

tors bought actively in the afternoon. The market is closed today and next Mon-

The dollar's renewed strength against the yen following Sunday's G-7 finance ministers' meeting in Washngton failed to boost blue-chip exporters, and eading issues moved slug-

Volume declined sharply from Friday's 413m shares to an estimated 257m. Declines ed advances 577 to 496 with 175 unchanged. Other key indices declined. The Topix ndex of all first-section stocks shed 0.78 to 1,410.85 and the capital-weighted amid demonstrations by Nikkei 300 was off 0.06 at traders in the kerb market

2.82 to

Property issues and securities houses were among the losing sectors, after chalking up strong gains in recent further curbs on public sessions. Daiwa Securities fell Y27 to Y818. Yamaichi Securities Y25 to Y318 and Y1,370. Mitsui Fudosan, a leading realtor, shed Y10 to

> Investors focused on the shares of companies which had recently announced stock buy-backs - a relatively recent practice in Japan. They included Taisei, a leading general contractor, which added Y32 to Y463 on Friday's announcement that it would buy back up to 55m of its own shares for up to Y25bn. Toagosei, which unveiled a buy-back earlier this year, added Y11 to Y466 and Denso, ₩hich announced a similar plan last year, gained Y50 to

After trading closed, Mita Y40bn share buy-back of up to 100m of its stock. The issue ended the day

unchanged at Y407. In Osaka, the OSE average shed just 2.07 to 19,800.76 and volume eased to 27.8m

KUALA LUMPUR fell 1.3 per cent to an eight-month low with heavy selling of United Engineers contribut

ing to the slide. United Engineers dropped 90 cents to M\$17.80 on continued worries that it would be used by the Renong group to buy into the loss-making National Steel Corp of the Philippines. Renong fell 20 cents to M\$3.32.

At the close, the composite index was down 14.59 at

1,074.86 DHAKA added to Sunday's 5.4 per cent tumble with a fall of another 6.3 per cent

Rumours send Singapore to 42-month low

Rumours that more bad 1,512.88.

investors take a break, writes Gwen Robinson.

and 18,684.07. Foreign inves-

morning, but with many domestic investors absent prices lost momentum in the

the authorities called in police after kerb market traders, still angry over the

continuing fall in share prices, attempted to block the bourse's main entrance. HONG KONG fell prey to profit-taking in red chips Nomura Securities Y20 to and caution ahead of this week's heavy calendar of US economic data. The Hang Seng index closed down 35.59 at 12,610.17 in turnover of HK\$13.9bn.

Brokers said late selling of China plays was prompted by concerns that Beiling might be worried about speculation in the red-chip sec-

SEOUL received a boost for shares in NAB but closed

index lost 60.32 to 899.38 as inflow of Won500bn-Won600bn of international funds after Friday's expansion of the foreign stock ownership ceiling and the composite index finished 4.40 higher at 704.16, compared

with the day's best of 707.42. Three Jinro affiliates went limit up on rumours that a committee of domestic financial institutions had decided to extend Won100bn in emergency loans.

Jinro added Won580 to Won7,890 while Jinro Industries and Jinro General

Foods rose Won330 and Won320 to Won4,540 and Won4,320 respectively. SYDNEY saw a scramble

index down 13.0 at 2,461.7. NAB stood out in an otherwise dull banking sector. adding 11 cents to a peak A\$17.18 in volume of 27m shares. Dealers cited the shares' yield attractions plus talk of an imminent fund

News Corp fell steeply swept through the market. terms from the Finance Cor-The shares fell 18 cents to poration of Thailand.

A\$5.87. move lower, with the com- tion campaign got under

outside the bourse. The from expectations of an with the All Ordinaries results from PLDT was said to have depressed market

> BANGKOK had another negative session to extend its losing streak to eight days. The SET index dropped 11.52 or 1.68 per cent to a new low for the year of 672.48. Turnover stayed thin management acquisition by at Bt2.5bn. Bangkok Bank of Commerce was a feature, after rumours of release jumping 60 cents to Bt6.80 on delays for the film Titanic news of agreed takeover

JAKARTA moved higher MANILA continued to as the May 29 general elecposite index closing off 35.06 way. The composite index or 1.2 per cent at 2,837.31. A rose 4.05 or 0.6 per cent to lack of positive incentives 656.53. Turnover improved to and weak first quarter Rp762bn.



When Motel 6 sought the benefits of synthetic leasing

Chase checked in.

Motel 6 tapped Chase's expertise in syndicated finance to structure and execute a \$310,250,000 Synthetic Leasing facility to fund the acquisition and construction of motel properties. The synthetic lease will allow Motel 6 to grow, accessing directly the U.S.



'Our relationship with Chase began when we were acquired by our parent company, Accor Group, Chase's experience in this type of financing was a key factor in our decision to select them to arrange the facility in addition to the tax benefits and a stronger balance sheet, we will be able to serve thousands more travelers and assure them that 'We'll leave the light on for you."



CHASE. The right relationship is everything.™

	+0.38	-0.25	-1.59	+6.73	+18.23	+12.15
South Africa				4.55		
Mosico	-0.02	-0.83	+12.82	+11.98	+17.48	+11.78
Brazil	+2.99	+3.14	+65.86	+31.28	+35.30	+25.35
USA	-0.40	-1.52	+16.16	+2.54	+8.11	+2.51
Canada	+0.38	-0.80	+16.59	-0.91	+2.50	-2.77
Thailand	-3.77	-0.63	-53.82	-15.42	-12.31	-16.83
Singapore	-2.80	-4.94	-12.02	-8.76	-6.76	-11.55
Philippines	-3.23	-17.19	n.a.	-14.55	-10.16	-14.78
New Zealand	-0.27	+0.63	+2.42	-5.41	2.11	-7.16
Malaysia	-2 05	-12.59	-5.69	-11.79	-6.42	-11.24
Japan	+1.79	+2.73	-15.77	-3.35	-6.20	-11.03
Indonesia	+1.99	+0.16	n.a.	+3.73	+6.06	+0.60
Hong Kong	+0.71	-0.05	+8.03	-9.98	-5.25	-10.12
Australia	+1.46	+2.66	+8.52	+3.36	+6.52	+1.04
	+0.77	+0.09	+22.54	+11.11	+7.09	+1.59
EUROPE		+0.83	+12.02	+5.01	+5.01	-0.40
UK	+1.14		+28.32		+16.30	+10.32
Switzerland	-1.31 +1.46	-5.13 +2.17	+37.27 +28.32	+10.77 +20.56	+2.40	-2.87
Spain Sweden	+1.87	+4.51	+43.59	+13.50	+7.10	
Norway	+0.43	+1.06	+26.46	+10.81	+5.62	+0.18
Netherlands	+1.29	+1.34	+36.77	+15.51	+8.70	+3.11
Italy	-0.56	+3.41	+14.35	+16.65	+8.93	
Ireland	-0.66	+1.67	+21.17	+9.79		+0.36
Germany	+0.66	-1.62	+31.68	+16.40	+9.73	+4.08
France	-0.43	-4.01	+20.70	+9.84	+3.44	-1.88
	+2.04	+1.63	+49.36	+15.47		+2.72
Finland	+2.01	+1.00	+36.63	+14.02	+8.04	+2.48
Denmark	+1.30					
Austria Belgium	+1.32	+0.29 +2.58	+9.19 +29.70	+7.24 +16.78		-4.17

EE/S&P ACTUARIES WORLD INDICES

Thin FT SAP Actuation World Indices are owned by FTSE international Limited, Goldman, Sachs & Co. and Standard & Poor's. The indices are compiled by FTSE

REGIONAL MARKETS FRIDAY APRIL 25 1997						THURSDAY APRIL 24 1997 DOLLAR IND						DEX			
Figures in parentheses US	Oay's	Pound			Local	Local	Gross	US	Pound			لعوفا			Year
show number of lines Dollar	Change		Yen	DM	Ситепсу		D⊧v.	Collar	Sterling	Yen	DM	Currency :		32 week	ago
of stock index	*	Index	index	Index	Index	on day	Yield	Index	index	inde	index	Index	High	Low_	(approx)
Australia (76)	0.1	204.80	178.69	200.90	192.06	0.0	3.96	223.99	201 19	178.56	198.84	192.04	225.77	188.44	209.52
Austria (24) 131 9:	-09	166.23	145 04	163.07	163.01	-0.5	1.93	183 61	167 39		163.90		195.04		
Brigaim (26)	-12	217 00	189 33	212.87	208.29	-0.9	3.43	240.39	219.15	191,64	214.58	210.12	241.54	205.89	207.13
Orner (30)	0.2	222.38	194 01	218.13	476.24	0.2	1 40	242 99	221.52	193.71	216.91	475.32	247.23	157.11	157,36
Canada (114)	-1.0	168 60	147,10	165.39	186.72	-0.7	2.09	186.43	169.9€	148.62	186.42	187.96	203.31	154,12	162.05
Denmark (32)		379.47		323 19	321.97	0.0	1.57	362.03	330.04	288.61	323.17	321.97	376.98	291.59	293.84
Finland (28) 252.13		:30.48		226 09	274 35	-0.3	1.66	254 32	231.85	202.74	227.02	275.06	268.58	190,88	180.89
France (91)210 0-		191.85		188.20		-0.1	2.97	211,12	192.46	168.30	185 45	191.86	226.25	186.94	198.07
German, (59)		180.63		177.19		-0. 6	1 59	199.66		159.17	178.22	178.22	207.65	164,47	169.22
Hong Kong (66)		416.27				-0.7	3.31	458.78		365.72	409.51		514.49	407,55	422,52
Indonesia (27)		209.69		205.69		-0.6	1.59	231.28		184.37	206.45	344.98	-	-	-
Instant (16i		301.47		295.72	300.56	-0.2	3.17	331.30		264,11	295.73	301.05	343.35	270,08	274.50
ולמוו 1591 למוו		78.80		77 30			2.24	86.76		89,18	77.44	110.60	96.32	73.26	82.52
J.1pan (485)		104.90		102 90		-0.6	0 86	115.44			103.05	92.03		107.57	161.40
Malaysia (107) 535-44		489 08			517.54	-0.6	1,24	539.43			481.52		660.85		558.93
Merico (27)1983 43					11756.74	0.4	1,17					11714.48			1292.92
Netherland (19)		316.59		310.56	304.56	-1.2	2.55	351.96			314.17		357.18	279.68	286.84
New Zenland (14)		77.83	67 90	76.34	65.24	3.0	4.35	85.C3	77.52	67.79	75.90	65.24	95.60	75.94	81.91
Nerway (41)		270 45		265.30	283 85	-1.0	2.15	298.78			266.70	286.84	321.23	243.72	251,81
Fful ppines (22)		158 51	138 30	155.49	228.06	-1.4	0.81	175.93		140.25		231.20	-	-	-
Singapore (43)		339 18		332.72	246 93	-0.3	1.15	372.14		296.67			446.01		432.41
South Africa (44)		326 19		319.97	347.45	-0.2	2.43	358.50		285.87	320,11	348.28	370.89	301.49	364.65
Spain (35)		203.97		200.09	245 83	-0.7	2.66	225.58	205.65	179.83		247.60	228.16	171,91	178.19
Sweden (49)		374.30		367 17	472.41	-1.2	2.21	421.12		335.71	375,91		448,64	334,35	342.25
Switzerland (36)263.17		240 38	209 73	235.90	239.44	-1.2	1.37	267.32	243.70	213.11	238,62	242.40	267.32	229.38	243.41
Thailand (43)		72 78	63 50	71.39	80.63	-1.6	3.87	<i>5</i> 0.99	73.84	64.57	72.30			73.98	177.82
United Kingdom (211) 282 09		257 63	224 78	252 72	257.63	-0.5	3.81	283.86	258.78		253,39	258.78	285.30	228.65	234,48
USA (653)	-09	282.72	246 68	277 34	309 52	-0.9	1.96	312,33	284.73	248.99	276,80	312.33	331.54	254.79	266.45
Americas (824)	-0.9	258.87	225 87	253.94	238.75	-C.9	1,95	285.94	260.67	227.94	255.24	240.83	303.45	233.09	243.55
Europe (736)	-10	222.37	194 02	218 13	227.18	-0.6	2.78	245.80	224.08	195.95	219.41	228.53	248.97	204.71	209.64
Northe (150)	-1.9	328.29	286 44	322.04	356.93	-0.8	2.02	366.21	333.85		326.90		385.85	291.45	293.61
Pacific Basin (883) 133 63	-05	122.05	106.49	119.73	104 83	-0.5	1.39	134.29	122.43		119 88	105.38	177.01	127.18	173.91
Euro-Pacific (1609)	-0.8	163.88	142 98	160.75	151.03	-06	2:7	180.78	164.80	144.11		151.88	191.51	173.55	188.89
North America (767) 301.87	-0.9	275.73	240 58	270 48	301.41	-0.9	1.96	304.62	277.70	242 B4		304.11		248.65	259.97
Europe Ex UN (515) 217 49		198 66	173 33	194.86	205.73	-0.7	2.18	219.99	200.55	175.38			224.70	185.65	191.04
Produc Ex. Jupan (338) 292 01	-0.4	266,73	232.72	261.65	254 40	-0.1 -0.4	2.90	293.29	267.38	233.81	261.81	255.54	320.65	268.97	291.87
Ward & US (1824) 182,77	-0.7	166.95	145 68	163 77	156 85	-0.5	2.15	154.14	167.87	146.79		157.71	193.47	176.94	281,07 189,77
World Et. UK (2063)	-0.1	196.60	173.28	194.82	194.84	-0.3 -0.7	1.88	219.26	199.89		195.72	198.28	228.59		
World Ex. Japan (1992) 278.23		254 14			269 53									199.58	211.06
****** EX. JUDAN (1732) 2 (6.23	-03	236 14	221.64	48.30	268 33	-0.7	2.29	290.57	255.87	223.75	200.24	271.53	292.72	253,10	242.31

The World Index (2477).....222 91 -0.9 203 61 177 65 199.73 200.51 -0.7 2.06 224.75 204 89 179.16 200.62 201.93 233.38 202.32 213.18

Output, FISE International Littles, Colorest, Sacra and Co. and Standard 5 Poor's, 1987. All rights regarded "FTSAP Aguartes" is a paint and amount of The Financial Times Limited and Standard Forces when probability for edition. Manufact closed 25,497. Audicide. Demonstr. Bask and New Yorkers.

NYSE PRICES NASDAQ NATIONAL MARKET 23°4 18°4 USAGE 1
39 25°4 US Flore
22°4 24 USAGE
45°5 25°4 USAGE
47 25°4 USAGE
70°2 55°5 USAGE
70°2 55°5 USAGE
30°5 18°5 UNV Flore
23°5 18°5 USAGE
33°5 FT Free Arrusal Reports Service
You can obtain the cornel and of reports and if available
quarterly reports of any companies on the BS exchanges with
a \$ symbol. To order reports ring (bilangation) Access
1-804-320-8097 or give the names of the companies Access
reports you want and fax your reports to determined Access
1-804-320-8135. Reports will be sent the next working day,
subject to availability. You can also order order at hitself
www.ichioc.com/cgi-bin/Ri. - C - . AMEX PRICES | PV | Sta | Stack | Div. E 190s | High | Low Close Clang | Stack | Div. E 190s | High | Low Class Clang | Stack | Div. E 190s | High | Low Class Clang | Stack | Div. E 190s | High | Low Class Clang | Stack | Div. E 190s | High | Low Class Clang | Stack | Div. E 190s | High | Low Class Clang | Stack | Div. E 190s | High | Low Class Clang | N7 TimA | Div. E 190s | High | Low Class Clang | N7 TimA | Div. E 190s | High | Low Class Clang | N7 TimA | Div. E 190s | High | Low Class Clang | N7 TimA | Div. E 190s | High | Low Class Clang | N7 TimA | Div. E 190s | High | Low Class Clang | N7 TimA | Div. E 190s | High | Low Class Clang | N7 TimA | Div. E 190s | High | Low Class Clang | N7 TimA | Div. E 190s | High | Low Class Clang | N7 TimA | Div. E 190s | High | Low Class Clang | N7 TimA | Div. E 190s | High | Low Class Clang | N7 TimA | Div. E 190s | High | Low Class Clang | N7 TimA | Div. E 190s | High | Low Class Clang | N7 TimA | Div. E 190s | High | Low Class Clang | N7 TimA | Div. E 190s | High | Low Class Clang | N7 TimA | Div. E 190s | High | Low Class Clang | N7 TimA | Div. E 190s | High | Low Class Clang | N7 TimA | Div. E 190s | High | Low Class Clang | N7 TimA | Div. E 190s | High | Low Class Clang | N7 TimA | Div. E 190s | High | Low Class Clang | N7 TimA | Div. E 190s | High | Low Class Clang | N7 TimA | Div. E 190s | High | Low Class Clang | N7 TimA | Div. E 190s | High | Low Class Clang | N7 TimA | Div. E 190s | High | Low Class Clang | N7 TimA | Div. E 190s | High | Low Class Clang | N7 TimA | Div. E 190s | High | Low Class Clang | N7 TimA | Div. E 190s | High | Low Class Clang | N7 TimA | Div. E 190s | High | Low Class Clang | N7 TimA | Div. E 190s | High | Low Class Clang | N7 TimA | Div. E 190s | High | Low Class Clang | N7 TimA | Div. E 190s | High | Low Class Clang | N7 TimA | Div. E 190s | High | Low Class Clang | N7 TimA | Div. E 190s | High | Low Class Clang | N7 TimA | Div. E 190s | High | Low Class Clang | N7 TimA | Div. E 190s | High | Low Class Clang | N7 TimA | High | Div. E 190s | High | Pf Six Steak Div. E 190s High Law Close Ching Shock Div. E 100s High Law Clove Chang

Adv Magn

S 51 13, 113, 113, 113,

Altropol 6 65 75 73 73 72

Altropol 4 13 13 14 14 13 14 14

Altropol 5 52 53 53 53 13

And his Pa 424 6 20 41 41 41

Annual 1124 55 84 84 84 14

Annual 1124 55 84 84 14

Annual 1124 55 84 84 14

Annual 1124 55 84 84 14

Annual 1124 55 84 84 14

Annual 1124 55 85 84 14

Annual 1124 55 85 84 14

Annual 1124 55 85 84 14

Annual 1124 15 14 11 114 14

Annual 1124 55 85 84 15

Annual 1124 125 85 85 14

Annual 1124 125 85 85 85 14

Annual 1124 125 85 84

Annual 1124 125 85 85 85 85 84

Annual 1124 125 85 85 85 85 85 85 85

Annual 1124 125 85

Annual 1124 85

Annual 1124 85

Annual 1124 85

Annual 1124 85

Annual 1124 85

Annual 1124 85

Annual 1124 85

Annual 1124 85

Annual 1124 85

Annual 1124 85

Annual 1124 85

Annual 1124 85

Annual 1124 85

Annual 1124 85

Annual 1124 85

Annual 1124 85

Annual 1124 85

Annual 1124 85

Annual 1124 85

Annual 1124 85

Annual 1124 85

Annual 1124 85

Annual 1124 85

Annual 1124 85

Annual 1124 85

Annual 1124 85

Annual 1124 85

Annual 1124 85

Annual 1124 85

Annual 1124 85

Annual 1124 85

Annual 1124 85

Annual 1124 85

Annual 1124 85

Annual 1124 85

Annual 1124 85

Annual 1124 85

Annual 1124 85

Annual 1124 85

Annual 1124 85

Annual 1124 85

Annual 1124 85

Annual 1124 85

Annual 1124 85

Annual 1124 85

Annual 1124 85

Annual 1124 85

Annual 1124 85

Annual 1124 85

Annual 1124 85

Annual 1124 85

Annual 1124 85

Annual 1124 85

Annual 1124 85

Annual 1124 85

Annual 1124 85

Annual 1124 85

Annual 1124 85

Annual 1124 85

Annual 112 SAN Comp 2.28 11 5 50 49% 49% Easte Co 0.46 21 x0 13⁵g 13 Jan 891 72 188 2¹4, 2²4, 2²4, 175 Corp 222 1²4, 47¹2, 1²4, 4²4, 180 25 29 15²6 15²4, 15²2, 1²8 180 25 258 15²6 15²4, 15²2, 1²8 Laborage 0.06 30 407 72 63 7 +2 Laborage 26 2 867 867 867 12 Combines 0.20 13 225 34 33¹/₂ 31¹/₂ 4¹/₃ Combines 0.20 13 22 53¹/₄ 53 19 20 12 12 12 12 19 20 12 02 12 14 80 24 237 24 +4 | Macronant | 23 | 57 | 455 | 4514 | 4314 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 1456 | 5 1774 26 25½ 25½ 14 10 6649 26½ 25½ 25½ 3½ 9 20 12½ 12½ 12½ 12 311 1½ 61 1 ½ Companies Companies Companies 3 107 8 518 6 April 2 140 15 15 5 - 1 HelPetDee A SURE SIGN | K | Series | C.06500 | 80 | 113 | 12 | 12 | 14 |
Ransee Cr.	0.84	12	155	254	24	244	14
Ransee Cr.	0.84	12	155	254	24	244	14
Ransee Cr.	0.84	12	155	254	24	244	14
Ransee Cr.	0.84	12	155	254	24	244	14
Ransee Cr.	0.84	12	155	254	24	244	14
Ransee Cr.	0.84	12	155	254	24		
Ransee Cr.	0.84	12	155	254	14		
Ransee Cr.	0.84	12	155	254	14		
Ransee Cr.	0.84	12	154	14	14	14	
Ransee Cr.	0.84	12	155	254	14		
Ransee Cr.	0.84	12	155	254	14		
Ransee Cr.	0.84	12	154	14			
Ransee Cr.	0.84	12	154	14			
Ransee Cr.	0.84	12	154	14			
Ransee Cr.	0.84	12	154	14			
Ransee Cr.	0.84	12	154	14			
Ransee Cr.	0.84	12	155	154			
Ransee Cr.	0.84	12	154	14			
Ransee Cr.	0.84	12	154	14			
Ransee Cr.	0.84	12	155	154			
Ransee Cr.	0.84	12	154				
Ransee Cr.	0.84	12	14				
Ransee Cr.	0.84	12	14				
Ransee Cr.	0.84	12	14				
Ransee Cr.	0.84	12	14				
Ransee Cr.	0.84	12	14				
Ransee Cr.	0.84	12	14				
Ransee Cr.	0.84	12					
Ransee Cr.	0.84	12					
Ransee Cr.	0.84	12					
Ransee Cr.	0.84	12					
Ransee Cr.	0.84	12					
Ransee Cr.	0.84	12					
Ransee Cr.	0.84	12					
Ransee Cr.	0.84	12					
Ransee Cr.	0.84	12					
Ransee Cr.	0.84	12					
Ransee Cr.	0.84	12					
Ransee Cr.	0.84	14					
Ransee Cr.	0.84	12					
Ransee Cr.	0.84	12					
Ransee Cr.	0.84	12					
Ransee Cr.	0.84	12					
Ransee Cr.	0.84	12					
Ransee Cr.	0.84	12					
Ransee Cr.	0.84	12					
Ransee Cr.	0.84	12					
Ransee Cr.	0.84	14					
Ransee Cr.	0.84	12					
Ransee Cr.	0.84	12					
Ransee Cr.	0.84	12					
Ransee Cr.	0.84	12					
Ransee Cr.	0.84	12					
Ransee Cr.	0.84	12					
Ransee Cr.	0.84	12					
Ransee Cr.	0.84	12					
Ransee Cr.	0.84	12					
Ransee Cr.	0.84	12					
Ransee Cr.	0.84	12					
Ransee Cr.	0.84 OF THE RIGHT CHOICE -X-Y-Z-- D -RENAISSANCT EASDAQ Company Mid price Change Volume Fight Low Company Mid price Change Volume High Low on the on the State of the Change Volume Fight Low Company Mid price Change Volume High Low on the Admicard USS75 380 8.25 7.5 Expri letecan ADS US\$6355 -0.875 0 12.25 8.375 Attends Systems US\$10,5 10575 11 9.5 temperates US\$11.875 -0.875 0 12.25 8.375 Change of FF18 3000 18 16 Merch learnini. US\$8.375-d 0 11.75 8.375 Change of FF18 3000 18 16 Merch learnini. US\$8.375-d 0 11.75 8.375 Change of FF18 3000 18 16 Merch learnini. US\$8.375-d 0 11.75 8.375 Change of FF18 3000 18 16 Merch learnini. US\$8.375-d 0 11.75 8.375 Change of FF18 3000 18 16 Merch learnini. US\$8.375-d 0 11.75 8.375 Change of FF18 3000 18 16 Merch learnini. US\$8.375-d 0 11.75 8.375 Change of FF18 3000 18 16 Merch learnini. US\$8.375-d 0 11.75 8.375 Change of FF18 3000 18 16 Merch learnini. US\$8.375-d 0 11.75 8.375 Change of FF18 3000 18 16 Merch learnini. US\$8.375-d 0 11.75 8.375 Change of FF18 3000 18 16 Merch learnini. US\$8.375-d 0 11.75 8.375 Change of FF18 3000 18 16 Merch learnini. US\$8.375-d 0 11.75 8.375 Change of FF18 3000 18 16 Merch learnini. US\$8.375-d 0 11.75 8.375 Change of FF18 3000 18 16 Merch learnini. US\$8.375-d 0 11.75 8.375 Change of FF18 3000 18 16 Merch learnini. US\$8.375-d 0 11.75 8.375 Change of FF18 3000 18 16 Merch learnini. US\$8.375-d 0 11.75 8.375 Change of FF18 3000 18 16 Merch learnini. US\$8.375-d 0 11.75 8.375 Change of FF18 3000 18 16 Merch learnini. US\$8.375-d 0 11.75 8.375 Change of FF18 3000 18 16 Merch learnini. US\$8.375-d 0 11.75 8.375 Change of FF18 3000 18 16 Merch learnini. US\$8.375-d 0 11.75 8.375 Change of FF18 3000 18 16 Merch learnini. US\$8.375-d 0 11.75 8.375 Change of FF18 3000 18 16 Merch learnini. US\$8.375-d 0 11.75 8.375 Change of FF18 3000 18 16 Merch learnini. US\$8.375-d 0 11.75 8.375 Change of FF18 3000 18 16 Merch learnini. US\$8.375-d 0 11.75 8.375 Change of FF18 3000 18 16 Merch learnini. US\$8.375-d 0 11.75 8.375 Change of FF18 3000 18 16 Merch learnini. US\$8.375-d 0 11.75 8.375 Change of FF18 3000 18 16 Merch lea For reservations contact your travel agent or call toll-tree from Austria (100) (1852). Belgium (1800) 13210. Itance (180) (100) 5. Germany (130) 812340.						

AIR TRANSPORT • by David White

Passenger traffic soars

Palma's Son Sant as Europe's leading centre for

charter flights The man who earned the nickname "Pepe Aviones" [Joe Planes] got to Palma de

Mallorca by the long route. The first adventure of Juan José Hidalgo, the eldest in a family of nine children from the rural Salamanca region of western Spain, was to emigrate to Switzerland. He worked there as a cowherd, a bricklayer and a painter. After five years, he had saved enough money to buy a Mercedes car. And from then on he was in the travel business.

He used the car to carry other migrant workers from Salamanca, then a bus, then a small fleet of buses. branching out to France, Holland, Germany and Por-

Expansion brought his first encounter with restrictive practices. He was trespassing on other bus companies' routes in Spain. And so, after five years he dropped the buses and started chartering aircraft ter company of Spain's stateowned flag-carrier Iberia. But in the 1980s, Aviaco withdrew from the charter

instead, from Aviaco, the sis-

business to concentrate on series of other charter companies, but they collapsed one by one. So he bought his

Air Europe, liquidated after the collapse of its UK parent International Leisure Group in 1991, became Air

"It arrived at a good time," says Mr Hidalgo, now 55, at the modern Palma headquarters of what has become a

domestic scheduled services. of the private airlines which Joan airport ranks Mr Hidalgo turned to a have taken advantage of deregulation in Spain. It has been running regular flights since 1993, first domestic, then international. Scheduled services are now beginning to overtake its charter

Mr Hidalgo says he runs his airline with less than a third of the number of staff per aircraft employed by Iberia, his big rival.

The trick has been to do



made at Mr Hidalgo's travel agency Halcon Viajes, now with about 500 branches.

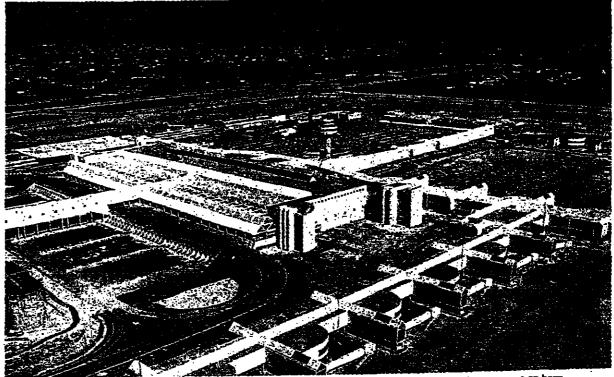
Discussions with two other big Majorca-based groups, Barceló and Sol Meliá on a shareholding in Air Europa could create a more powerful tourism grouping two large hotel chains, two leading agencies, tour operators and the airline

Palma has become the base for both of Spain's biggest surviving private-sector jet airlines - the other being Spanair which began operat-ing in 1988 as a joint venture between the Spanish Viajes Marsans travel group, with a 51 per cent majority, and SAS. Spanair's fleet has grown from one aircraft to 21, on domestic and international charters and regular services between airports in Spain and the Balearic and Canary Islands.

The reason for setting up in Majorca, says Mr Hidalgo, had as much to do with the previous chain of airline colapses as with Palma's importance as an air traffic centre.

It was simply where most of the redundant skilled staff, from pilots to mechanics, were to be found.

Palma's Son Sant Joan airport is predominantly used for charter flights. Accounting for three-quarters of air traffic in the Balearic



The new terminal at Pakma's Son Sant Joan airport is designed to cope with peak volumes of up to 12,000 passengers an hour

Islands, alongside the airports of Ibiza and Menorca. it ranks as Europe's leading charter centre - and in the high summer as Europe's busiest airport - handling up to 120,000 passengers a day on July or August Weekends. More than 80 per cent of its activity is concentrated

between April and October. Last year. Air Europa and Spanair stood at number one and number three respectively in the Palma traffic figures. Number two was

Germany's Hapag-Lloyd. sengers an hour. The termi-More Germans travel to and from Palma than Spanish citizens. On the other hand, Theria last month stopped its scheduled connections between Palma and Frankfurt, Paris and London - a decision that has met strong local objections. And there is no scheduled connection with Brussels.

A new terminal building, inaugurated this month, is designed to cope with peak volumes of up to 12,000 pas-

nal is the biggest edifice ever constructed in Majorca, and has 204 check-in counters. Eventually it will have 64 aircraft "fingers". This is the centrepiece of a Pta40bn remodelling plan which has been under way for the past four years, financed mainly by the national airport authority Aena with a

the European Union's Cohesion Fund. The move of Palma's air-

Ptallbn contribution from

port to this site in 1960 marked the beginning of the island's modern economic era. Annual passenger traffic reached im in 1962 and had doubled by 1965.

In 1987, it passed 10m, and last year it exceeded 15m. Airport officials say that with the new facilities it should be able to handle up to 25m passengers a year. And that, in the view of tourism planners aiming more at quality than quantity, is more than enough.

PROPERTY • by Tom Burns

rmans arrive en masse

The local press has reported that 50,000 Germans now own property in Majorca

In the space of little more than an hour on a Friday evening two weeks ago, 13 aircraft flew back from Palma's airport to assorted destinations in Germany.

In the airport bars, waiters German and if you shut your eyes to the rosé wine sunset it could have been the departure lounge of Munich, Munster or any other airport between the Rhine and the

Jokes have been made island of Majorca as a good-Spain onto the starting grid of monetary union. Mr Kai Dost, who sells lots of Majorca houses to Germans - 41 a different view.

here because they are unhappy back home. That's

sultants he works for, Kühn early 1980s, property prices and Partner, opened three dropped sharply between new offices on the island last year and plans to start up another two this year.

"The mix of mild winters, marinas and golf courses seems to be irresistible for the Germans," says Mr Juan Olabarria, a manager at owned property developing company that is headquartered just outside efficiently took orders in Palma. "They started to come after the 1993 recession and we haven't stopped building for them."

Nor, it appears, have the Germans stopped playing golf. Such is the demand to get onto the greens, that for the first time this year all of about Germany buying the Majorca's 12 golf courses remained open during the winter. Three more courses are due to be completed within the next two years.

Vibelba owns the excluin the slack first three club complex close to Palma months of this year against and has added a new British householders. 104 in all of last year - takes upmarket development nearby with more golf facili-"Germans are flocking ties and 500 housing units. Two more similar develop-

ments are now planned. After rapid growth in con-Palma-based property con- struction and sales in the Germans seem to have the

1989-1993 - "we were then

selling very cheaply or not all," says Mr Olabarria. Although prices have since recovered, the renewal of the construction business and the mix of both primary and secondary homes that char-Vibelba, a big German- acterises housing in the Balearies has ensured price sta-Last year, some 2.6m Ger-

mans arrived as tourists to the Balearics - only slightly tingent. But far more interthe growth of the long-term foreign resident market.

are now property owners in Majorca - a figure which sparked off the talk about Germany buying the island.

ons began acquiring property on the islands 40 years ago while the Germans have arrived en masse in the past four years. What is more, the

market to themselves. "The English have disappeared as buyers," says Mr Olabarria.

Who are these foreigners moving in to the island and why have they chosen Majorca? The property buyers fall

into two main groups. One is formed by Germans in their early fifties who are buying holiday homes now that they will later use year-round when they retire. The other is formed by younger professionals, architects, designfewer than the British con- ers, asset managers and accountants, consultants of esting in the long term for one kind or another who, as the economy of the islands is Mr Dost terms it, are "unhappy" back home.

With the onset of the The local press has modem and online communireported that 50,000 Germans cations, the lap-top professionals have opted to use Majorca as their professional

Mr Dost reckons the number commuter flight from Ger- draitx, in the south-west of gothic cathedral, keeping in of Wight and, incredibly, sive Son Vida hotel and golf is about right although he many - trumps potential Majorca, currently exerts the all cases their external charclub complex close to Palma believes there are even more competitors for this market. greatest pulling power) and acter intact. He has brought 'Sardinia is too cold in The difference is that Brit- winter, Greece and Tenerife are too far away and Marbella has too many Russians," says Mr Dost.

Resorts, equipped with golf and marinas, are the traditional magnets for the



Son Burryola, a mansion with 5km of its own coastline in western Majorca, is scheduled to be transformed into a hotel by Richard Branson

The island – a two-hour foreign residents (Port d'An- around Palma's stunning greatest pulling power) and acter intact. He has brought Deia, once Robert Graves to the island a building busiterritory and now associated with Richard Branson, has always enjoyed a niche demand. What is new, however, is an increasing interest in homes in Palma's his-

toric quarter.
Mr Fernando Palazuelo, who runs a company called Arte Express, has converted a string of old houses, some of them palatial, in the area

ness he created in Barcelona where he helped the successful redevelopment of the old inner city neighbourhoods ahead of the 1992 Olympic

The clients for his mostly two-bedroom and moderately priced apartments in old Palma are a mix of Spaniards and foreigners, not all

r who lives in the isle. comes here virtually every Mr Palazuelo sees Majorca

filling up with an increasingly sophisticated cosmopolitan population of globe-trotting, self-employed professionals who will spend increasingly long periods each year on the island. Clients and friends include a Polish architect who divides his time between Vienna and

quently to Singapore and

The possibilities of the emerging market that Mr Palazuelo has pioneered in old Palma has not escaped the notice of the giants in wealthy individuals and the island's real estate business. Vibelba has just acquired a block close to the cathedral and is negotiating

"We think there is a very interesting and attractive market in the historic cen-German. "I sold one to a ship Palma and a British busi- tre," says Mr Olabarria.

240 och 320

\$5,200,

10 000 pin

An entire ato विक्षितिक स्टब्स्

TERMINAL A

The same of the same

1 1 3 3 No.

The second of th

PALMA DE

MALCOREA

AIRCORIA

CAIXA DE BALEARS

The leading bank in Balearic Islands

RIVESTIMENT OPPORTUNITES IN CHARTER BOATS

07014 Palma de Mallorca - Tel.: 34 (9) 71 - 73 07 50 - Fex: 34 (9) 71 - 73 29 13 **KPMG** Peat Marwick

CHARTER SALES MANAGEMENT

Your Advisors in Majorca

Parelladas, 12-1° 07003 Paima de Mallorca Tel: 34 (71) 72 16 01 Fax 34 (71) 72 58 09

-1999: PTA. 27,000 Million of Investment Old Town8,000 million Parks and Public Works4,500 million Roads and Pavements 2,700 million City Lighting3,000 million Acquisition of THE PRIME INVESTOR IN THE BALEARIC ISLANDS Ajuntament 🏟 de Palma

If you want to sell or buy a property, put your trust in a specialist agency. We welcome you in any of our 12 offices throughout Mallorca.

ENGEL AVÖLKERS



Calle Sol, 12. E-07001 Palma de Mailorca Tel.: (34) 71 - 22 80 20 Fax: (34) 71 - 71 11 19



Read Office

nternet: http://www.atlas-iap.es/kubn . e-mail: hubu@atlas-iap.es

Empire is a family affair

The Matutes empire includes shipping. construction, travel and property companies, about 40 hotels and holiday apartment complexes in Spain and the Caribbean, and ventures in agriculture and fish-farming. But you will not find it in any listing of top Spanish

"As an amalgamated unit . we don't exist," says Mr Daniel Pons, general manager of Fiesta Hotels, the principal family business interest of Mr Abel Matutes, the Spanish foreign minister, also known in his home territory as "the king of

The Matrites group has no holding company, and does not produce a consolidated balance sheet, says Mr Pons. Fiesta Botels itself is just a trading name. It is not registered as a company. In Ibiza, the group is

omnipresent, but not always obviously. Its headquarters is an anonymous building in the town centre, fronted by a travel bureau and an estate agency. The entrance to Empresas Matutes is down a passageway between

This is is the hub of the businesses built up by Mr Maturies, successively mayor, senator, congressman, European

commissioner, Euro-MP and minister.

The amiable Mr Matutes. now 55, founding father of the conservative Popular Party in the Balearic Islands, has isolated himself from any direct management role in the group. But along with his family he maintains ownership control of all its

Mr Matutes, born into the richest family of what was still a poor island, returned to Ibiza after two university degrees and a stint as a professional footballer in Barcelona. His grandfather, also called Abel, had founded a bank which still exists – these days as a subsidiary of Italy's Istituto San Paolo di Torino. It goes under the name "Banco Sampaolo, formerly Banco de Ibiza", but locals still

call it the "Banca Matutes". The family has retained an interest - a small shareholding in the Italian parent group and a minority stake in the Ibiza-based Spanish offshoot

The rest of the empire is what Mr Matutes created himself. He started as a partner in a small building supplies company, then went into the hotel business by converting a small block of flats with some friends. At the beginning of the 1970s he spent a short and unfortunate period as Ibiza

town mayor, an appointed post under the Franco

A spat with the air ministry over what was to be his third hotel, under . construction at the end of the airport runway, ended with the building's demolition. Mr Matutes did. however, win

compensation. And despite the sethack, the business had already taken off.

The group's hotels and holiday flats, according to Mr Pons, total between 22,000 and 25,000 beds. In Ibiza, still its principal base, it is the leader, geared totally to package tour business. The UK provides 65 per cent of its cilentele in the Balearics. "We have hotels where everybody in the hotel is British." he

"We have always been conservative, not only politically, but in the business, too. We're not a risky company," Mr Pons says. Fiesta Hotels is wedded to the mass trade. In his view, recent initiatives to develop smaller-volume, luxury establishments, are 'irrelevant to the economy of the country and the number of people

employed." They may be good for the overall image of the islands, "but that's not our market." He defends the sort of high-rise development that

characterised the rapid growth of tourism as being what the public emanded" at the time. "If in 1969 we had tried to create horizontal hotels on the coast, everybody including the tour operators would have said we were crazy. Everything was vertical."

Fiesta Hotels, a chain made up of self-standing companies with varying shareholding structures. has expanded in the past five years with developments in the Dominican Republic and acquisitions in Majorca. It also has two hotels in the Canaries.

Other Matutes interests range from ferries to a high-tech dairy farm, from an aqua-park in Ibiza to a large fish hatchery near Cadiz. And there is still the original building supplies outfit_ What these companies

have in common is that the family always has majority control. Mr Matutes's brother, Antonio, chairs the group, and his eldest daughter Carmen recently started working in it. Has the group benefited from Mr Matutes's political career? Mr Pons says it is just the contrary. "If he had not gone into politics, we'd

probably have 100 hotels

instead of 40." David White

Tuesday April 29 1997

FINANCIAL TIMES SURVEY

THE BALEARIC ISLANDS

The package holiday trade has transformed the islands but there is now a widely-shared belief that the Balearics have gone as far as they can in mass tourism, perhaps too far. David White reports

Richest region of Spain

pain's Mediterranean per cent above the national islands are the arche average. The region was the type of a region transformed by tourism, propelled from immemorial backwardness to relative wealth. It used to be that those who left the islands did so for good, but after four decades at the centre of the package holiday trade, islanders who once were a people of farmers, fishermen and emigrants have become tourists

But where do people from Majorca and Ibiza go when they go on holiday? Travel agencies in the Balearic Islands - one of the world's prime tourist destinations. every year receiving 10 times as many visitors as their own population - are currently advertising breaks to Venice. Turkey and the Caribbean.

And when they take off to the Dominican Republic they go to stay in hotels owned by Majorcan and Ibizan companies. In the sector which because the brackish local has become their main supply was not considered source of revenue, the islands have created their own commercial empire.

The Balearics are to tourism what California is to information technology. For no other reason than the holiday trade, they form the richest region of Spain, with an average income of more than \$20,000 a head, some 60

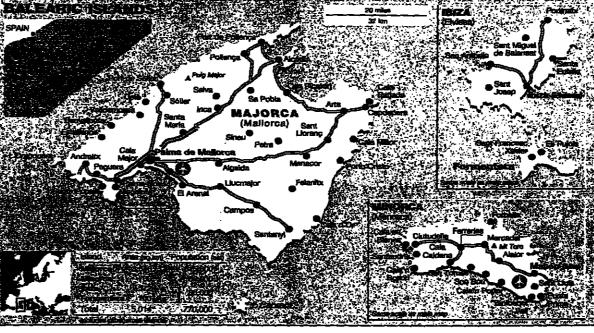
average. The region was the first in Spain to exceed the average income level of the European Union, where most of its visitors come from. It is also one of the fastestgrowing and it has the largest proportion of its population in employment

It caters for all tastes. from the cheap and rowdy to the exclusive and secluded. Since the 1970s, Majorca has been the summer haunt of Spanish royals. At the same time, its airport in the peak season becomes the busiest anywhere in Europe.

It is an eminently cosmopolitan society, with foreigners accounting for perhaps a tenth of the resident population: restaurants accustomed to coping with non-Spanish hours: and some areas resembling far-flung suburbs of Dortmund. For the past couple of summers, fresh water has been brought to Palma de Mallorca by ship. up to standard.

"Forty years ago, more than 50 per cent of our gross domestic product was agriculture," says Mr Jaume Matas, president of the autonomous regional government. "Now it is 1.6 per

The region is run as three



population, half of it in Palma, the islands' only real city, Menorca and Ibiza-Pormentera. The service sector makes up more than 80 per cent of the economy. There geographical handicans. The

is little alternative. A limited local market of 770,000 consumers and high transport costs for importing raw materials or sending finished products are

long-standing island handi-caps. Such industry as exists is largely craft-based - for example, quality leather goods and artificial pearls -and even then relies a lot on tourist custom. Minorca alone has more of

a balance between industry and services. "But on the other hand that is why it is less economically developed," say regional officials. As a result, they say, Minorca is gradually following the same path as the other islands. "Tourism," says Mr Matas,

"is the reason the Balearics are what they are." Dependence on holidaymakers brings seasonal fluctuations in job levels, but unemployment stays well below mainland Spain's 22 per cent.

The islands' economy has proved less vulnerable in administrative units - Maj- recession; more responsive

recovery. "The jet aircraft was the turning point," Mr Regional officials say that anart from discounts for resi-Matas says. In the next cendent EU citizens on travel to tury, he believes, telecommunications will provide a significant concessions. second means of overcoming

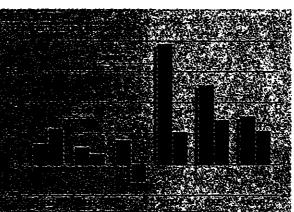
high hopes in a planned high-tech "business resort" north of Palma. This venture relies in part on EU backing. But com-pared with other Spanish regions, the Balearics have not been big recipients of EU funds, or central government transfers. In contrast to Corsica, for example - heavily subsidised by Paris - the

islanders have largely got

regional government places

the mainland, there are no "This is the secret of the Balearics economy. The private sector has done everything," says Mr Matas. His favourite example is the cleaning of the crowded

beaches east of Palma, which is done not by local authorities but jointly by businesses. Competition is strong in most sectors, from ferry services to newspapers: Majorca has four local dailies in Spanish, one in Catalan and one in English. For Mr Matas, the develop-



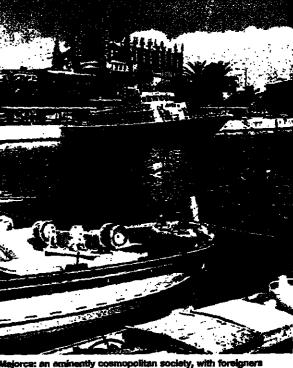
neo-liberal society" explains both the islands' success and the centre-right Popular Party's dominance in the region. But this dominance doubtless also has a lot to do with conservative traditions and

personality-based politics. Ever since the regional government was set up 14 years ago, it has been in PP hands. It was one of the first regions secured by the party. and held up as an example of PP management. It has the smallest number of bureaucrais per head of population of any region, the smallest budget and the lowest debt in relation to its GDP. But since 1995 the party's

record has been submerged in serious embarrassments. Mr Gabriel Cafiellas, the region's first president, three times re-elected, had to resign amid allegations of illegal party financing through commissions on a road-tunnel project. He now faces trial on corruption charges.

coalition.

Mr Cañellas quit reluctantly, at the insistence of Mr José Maria Aznar, the PP's national leader, then already on his way to becoming prime minister. And the affair has been followed by



alleged attempt at bribery to nationalist and ecologist gain control of a densely-developed municipality to the Although the islanders have adapted to the influx of west of Palma. After an

foreigners, there have been interlude of party infighting, Mr Matas, 40, took over as signs of growing resentment president last June, the third over the extent of recent president in two years. German property purchases. The most recent arrival Mr Matas is confident that among Spain's regional leadthis reaction will pass. "We ers, many regard him as cannot erect barriers, nor do embodying the continuing we want to," he says. But he wants to avoid the creation influence of Mr Canellas. of foreign ghettoes and to and he has yet to secure his position for the next regional ensure that new residents are assimilated. contest two years from now. The PP's lead in the region,

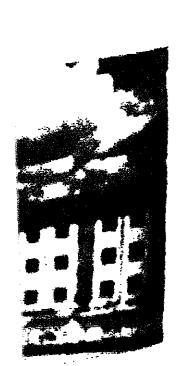
On the other hand, buildnever overwhelming, bas ing restrictions are being tightened and big hotel conbeen eroded, and control of Majorca's island council has struction is virtually halted. There is a widely-shared for the first time been lost to belief that the Balcarics a left-wing and regionalist have gone as far as they can Unlike the Canaries, the in mass tourism, perhaps too Balearies have had no strong far, and an increasingly indigenous political movestrong awareness of the need to protect the natural ment. Although the different islands - each with its own resources that have escaped variant of the Catalan landevelopment. guage - command strong

After 40 years of largeloyalties, the sense of scale exploitation, people in regional identity is recentlythe Balearics have come to realise that the environment emerged and still relatively is the islands' only raw weak. But any alternative to the PP would almost cermaterial, and is non-renewtainly involve a pact able. If there is not a firm between the mainstream clampdown, says Mr Fran-Socialists and the separate cesc Triay, Socialist leader in the region, "we will kill Majorcan Socialist Party, which has been gaining the goose that laid the

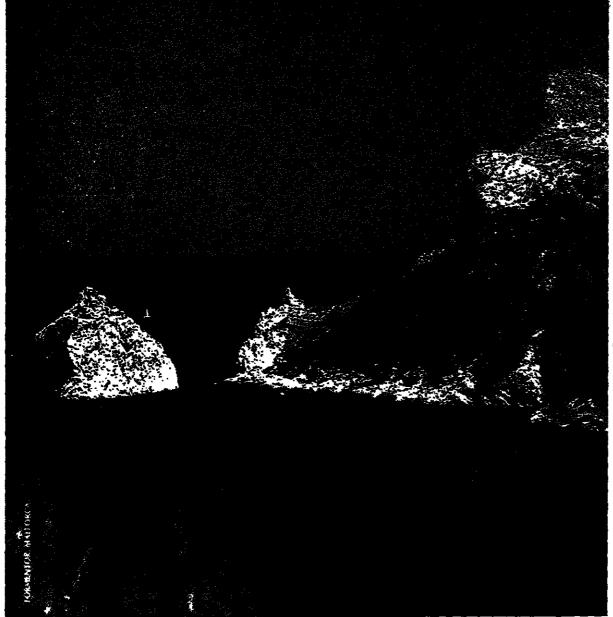
nonth low

:hst upgrade

kcdin.*







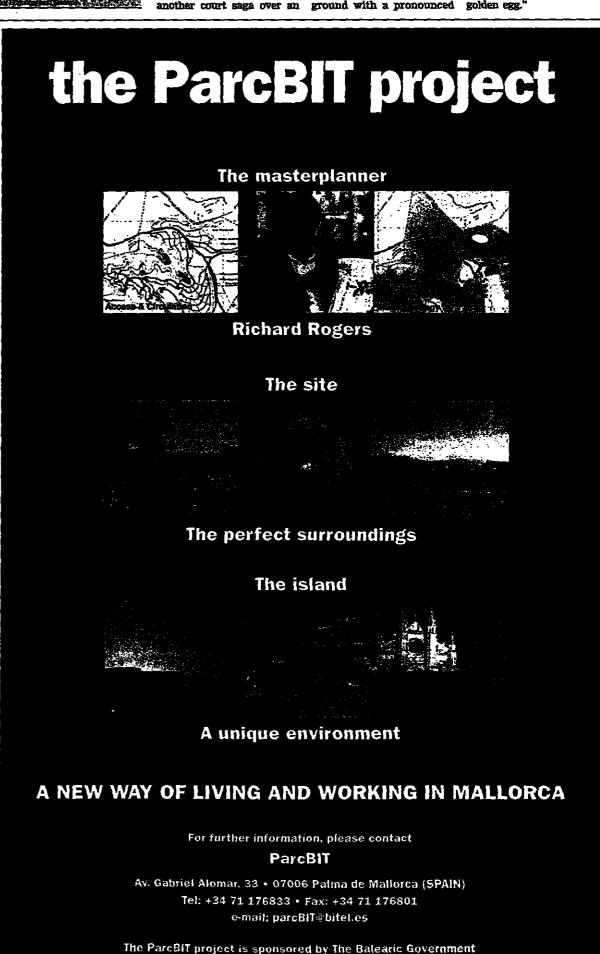
Mallorca, Menorca, Ibiza, Formentera. Nature Watch.



Our Islands have always captivated through their peace, their light, their natural heauty... A constant watch over nature, our greatest inberitance, and the reservation of our environment bas ensured the protection of more than a third of our countryside. Our main aim is the conservation and enbancement of our surroundings, creating a peaceful, restful

Here in the Balearic Islands nature follows ber course._





Perlas Majorica

Buyers by the busload

Manacor does not look the sort of place people would want to visit, but they do. Majorca's second town, it features drab streets of boxy buildings and furniture workshops, and giant billboards advertising artificial pearls – which are what the tourists come for. by busicads.

Managers at Perlas Majorica, the islands' most emblematic trademark, say the shop at the factory site is the biggest in Europe devoted to a single sort of article made by one company. It would be a hard claim to disprove. In the peak summer months, the shop staff is increased from 80 to 150.

Having built its reputation on an imitation product, Majorica is in constant battle with imitators of its own. The company, which started operating here in 1890, hit on its current production process in 1951 - "the best artificial pearl in the world," it confidently isserts. It says it now has the same difficulty protecting its brand name

as Rolex or Cartier. The company employs about 700, mainly at two factories at Manacor. One makes pearls, the other produces a range of gold. gold-plated and silver jewellery, almost all with pearls as their main

Majorica has its headquarters and design department in Barcelona, and another facility in the Canary islands collecting the marine products that go

into coating the pearls. The barracks-like main factory turns out more than 50m pearls a year, in different sizes and colours - cream-pink, white, grey and black. Meticulous selection procedures begin with the ceramic nucleus around which the pearl is made. Misshapen ones are marked and weeded out. The good ones are given a series of fine layers of a resinous substance made



with fish-scales, emulating in a controlled way the process of the oyster creating a natural pearl. Bathed and polished many times over, they obtain an iridescence and lustre that Majorica claims nobody else can match. "They are better than many cultivated pearls." say managers.

About 25 per ceut are rejected somewhere along the line. Quality controls are done by eye. Automated control systems are still under development, the

COMDANY SAVS. The factory has machines for various parts of the nufacturing process - forming the cores, sorting pearls by size, polishing - but the same operations are also done by hand: applying blowtorches to sticks of ceramic, shaking the little globules through sieves, polishing up the coated pearls. Mechanisation is a gradual process. The company insists on making all its machines on-site, for fear of giving any bit of the game

away to competitors.

In one corner of the

plant. Maiorica imitates its imitators, producing a lower-quality variety of pearl than it would sell under its own name. These employees say, take two or three days to make. compared with about three eks from start to finish for the pure-bred Majorica product.

The nearby jewellery plant stands out in bright, modern contrast, with galvanising done by robots and with a computerised stock of wax dummies for each product of the range, made to order and dispatched by air freight. In an industry where workforces of single digit numbers are standard, the plant is a relative mammoth, employing more than 160. But here, too, production relies heavily on manual skills.

Last year, Majorica sold Pia4.7bn worth of necklaces, earrings, pearl-bracelet watches and other items. Just over half - worth Pta2.4bn - were exported. Through the Spanish company and French and IIS subsidiaries it sells directly to retailers and duty-free shops in 67 countries. Japan, for all its tradition in cultured pearls, figures regularly among its top three markets.

Competitors have tried to cash in by using similar names - some local, others as far a<u>field</u> as Brazil. "Pure rubbish," say Majorica executives.

The formula for coating the pearls is probably the most closely guarded secret in the islands. But it is not Majorica's only secret. The company is sparing about financial information, and does not discuss its shareholders, made up of private interests including scendants of the German-origin founders.

negotiations to bring in an outside partner, and was reported last year to be on the point of opening its capital to the Austrian-Swiss-based Swarovski group. But the company insists that all options are open and nothing has been decided.

It has been in

David White

INDUSTRY • by Tom Burns

Policy planners. are focusing on preserving industries that used to flourish

Tourism has made the Balearics rich but the islands were not on the breadline before package holidays were invented. They had a diversified self-sustaining economy.

Farmers in the Balearics produced olive oil, cheese and a full range of market gardening products. An artisan class, using skills originally introduced by the Phoenicians, the Greeks and the Romans, worked with jewellery and leather.

In the Balearics, moreover, a sophisticated Moslem cul-ture that established strong roots during the 500-year Arab occupation of the islands gave a new impetus to the cottage industries and perfected irrigation and windmill techniques. Economic activity has always been a feature of the Balea-

As occurs in other resort areas, policy planners at the islands' Palma-based government nevertheless express their fears about a tourism monoculture that has now placed all the Balearic eggs in the same basket. The need for diversification heads the agenda in the departments run by Mr Josep Juan Cardona, an Ibiza-born lawver and the local minister for agriculture, industry and

Mr Cardona and his team are not, however, seeking to develop new businesses. Rather they are attempting to preserve the industries that used to flourish. "I see part of my job as defending

Pta130.6bn Pla35.6bn buy - and most do - a bottle of virgen virgin olive oil that

Pta183.5bn

these islands: shoes, leather work and costume jewellery," Mr Cardona says. do not seek to substitute tourism. This would be complete folly. His team believes, instead, in a partnership with the 30-year-old cash cow of the Balearics

1996 total Pis2 080.2bh

Services Pta 1,730.66m

Ideally, the traditional economic activity should complement the burgeoning service sector that the tour operators have created. The preservation of certain industries enhances the tourism attractions of the islands and the year-round invasion of foreign visitors should in turn stimulate certain manufacturing pro-

Take agriculture. The Balearics government backs the shrinking population of farmers (and ensures they receive the appropriate European Union subsidies) not because local agriculture is commercially viable but because it is scenically and environmentally friendly in an area that needs to remain beautiful.

If the terraced olive plantations were not kept in good trim the scenery would suffer. "What is more, tourists really enjoy going to see the old clive mills at work," says Mr Cardona. If they number had fallen by 49 per

has been pressed using a technology that was invented 2,000 years ago,

then so much the better. The same goes for artisan crafts such as glass-blowing. Such island industries only exist because they have busloads of tourists turning up to view a picturesque conjuring act. Without the foreign visitors they would have disappeared.

Despite the partnership

possibilities between tourism and the traditional activities on the islands, the industrial outlook looks decidedly bleak. The number of shoe manufacturing companies in the Balearics dropped from 312 to 266 between 1987 and 1996. Over the same period. 50 of the 125 costume jewellery producers went out of business. Even allowing for considerable "black" or submerged employment in industrial sub-sectors that are formed by essentially small, family-owned companies, the labour figures are depressing. Fortunately tour-

ism has created jobs. In 1985, the Balearies government recorded a total of 8,882 jobs in the textile, leather work, shoe manufacturing and costume jewelry sub-sectors. In 1996, this shoe manufacturing business, by far the biggest industrial employer on the islands, fell by nearly 53 per cent from 5,891 to 2,536.

And yet it is precisely in the shoe industry that the local government places its greatest hopes for diversification. The value of exports from Balearics shoe manufacturers rose from Pta991m in 1992 to Pta1.7bn in 1995. In the first five months of last year, according to the latest set of figures furnished by the local government, shoe exports were up by 41 per cent on 1995.

The numbers are derisory in absolute terms but what is important is the trend that has been set in motion. The Balearics shoe industry may have contracted in terms of jobs but it has become profitable by concentrating on the more expensive sector of the market thanks to a judicious mix of investment in high-tech systems (backed by local government subsidies) and

of innovative design.

The shoe business in the Ralearics, mostly located in the Majorca town of Inca, represents, in value, 2 per cent of total shoe production in Spain and 3 per cent of total shoe exports. This export premium is basically the result of price; the sale price of a top quality and high fashion shoe produced in the Balearics is more than double the average sale price of Spanish shoes.

The success of a quality driven strategy in the shoe sector should point the way ahead for the policy planners who worry about diversification. Costume jewellery, the other big non-tourism employer, should follow the same route to the top bracket customers.

Surfing the cutting edge

The genesis of ParcBIT, the Balearics innovation and technology park, can be traced as follows:

Research important trends in the next millennium. paying special attention to thoughts on leisure, life styles and information technology; hire a top architectural firm to package the theories into a living space; then spend a that the project will take off sooner rather then later after the year 2000.

If nothing else, ParcBIT shows the Balearics government enthusiastically surfing the wave of cutting edge post-modernism. It is initially spending some Pta6bn in the hope of persuading a cultured, cosmopolitan community to set up shop on a 140ha reenfield site where parts of that community will dream up clever ventures. BIT stands for Balearics, Innovation and Technology.

"In 1990, we had a brainstorm about the 21st century and about where the Balearics should be heading as a consequence of the megatrends we identified," said Mr Andrés Fout, chief executive of

ParcBIT. "Out of this this came a strategy for turning the islands into a knowledge-intensive

business resort." The Balearies government acquired the park land outside Palma which adjoins Majorca's scenically situated university campus and created ParcBIT as a wholly government-owned company which will develop at least partially privatised.

Mr Font has trawled through the academic world for ideas to launch the site. The London School of Economics has been hired to study business perceptions of Majorca and Tel Aviv university has been asked to identify innovative technology projects that might be interested in establishing research . facilities at ParcRIT. An international

competition was organised in which participants were asked to plan what is essentially a new town on the ParcBIT site, combining residential, working and leisure areas. It was won in 1995 by the London-based Richard Rogers Partnership of international architects and Mr Fout hopes that by

1999 the first offices in ParcBIT will be opening for business. The team led by Sir

Richard Rogers has designed three urban clusters for the site, each of which will combine living and working areas, and the three landscaped "villages" or nodes will in turn form a distinct community. ParcBIT will be mostly the three small villages, according to the site's promotional literature, is

defined by the practical limits of walking between each node and across the whole development. The design seeks a "balanced" community in which each node branches out from public buildings, exhibition centres and

hotels, a church, schools and libraries, sited around and near a market sonare The buildings fan out from this centre to form a working and living district. mixing apartments and offices, and then there is a quieter residential area on the outskirts.

Mr Font claims that ParcBIT will incorporate eaera bossiple environmentally friendly initiative, including solar panels and state-of-the-art water management, and that it will be wholly geared to cope with information

technology requirements. The next-question is who will want to live and work in this knowledge-intensive business centre? Mr Font says ParcBIT has space for 1,000 living units and that

they will all be taken up. what the local government's policy planners perceive to be the shift in Majorca's population and economic activity. The island will increasingly attract residents, foreigners and Spanlards, in place of seasonal tourists, and these residents will increasingly use Majorca as a place of work rather than as a

retirement home Mr Font likes to talk about creating a "business resort". This is either a contradiction in terms or, as he claims, it is a whofly viable 21st-century project that makes perfect sense in a well-connected and culturally developed Mediterranean island such as Majorca.

Tom Burns





Visit our Exhibition Hall & Factory in the City of Manacor, Mallorca

Jewellery & Pearls



Gain the edge over your competitors by having the Financial Times delivered to your home or office every

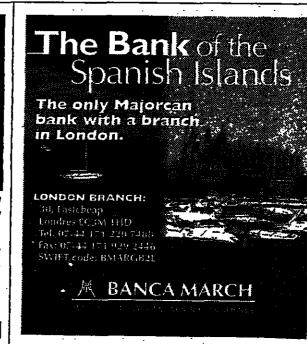
Hand delivery services are available for all subscribers who work or live in the business centres of Barcelona,

Please call us in Madrid on (91) 337 00 61 for more

Financial Times. World Business Newspaper.



IN MAJORCA Fax. 34 71 456 871 TeL 34 71 280 232



VALDEMOSSA

Urbanized plots in highly protected green zone. Unique Sea and Mountain views. Minimum size of plots, 1,000m². Urbanizacion situated only 20 km from the Airport.

Promoter directly George Sand, Urbanizacion Tel: +34-71-616142 Fax: +34-71-616249 AMSTERBALL

avin

Still anchored to its original roots

Majorca was the cradle of Sol Melia, the listed leisure group that manages more than 200 hotels in 25 countries. Forty years after Mr Gabriel Escarrer, its controlling shareholder and chairman, began ruoning hotels on the waterfront of Palma's bay, the island remains very much its

corporate headquarters. Mr Sebastian Escarrer, the chairman's son and Sol Meliá's chief executive officer, says the group may have gone global but it remains "anchored to its roots". The Balearics still contain the highest concentration of Sol Melia hotels although the fees earned from managing the island properties represent at most 15 per cent of the total earned by the group. It is not just sentiment

that keeps the headquarters located in an industrial estate midway between the city of Palma and its airport. Mr Escarrer stresses that Majorca is the tourism capital of Spain in part because it receives more tourists than anywhere else but, much more importantly, because it has been the launching

other big domestic leisure "People in the Balearics understand tourism," he says. "We're the only group that is operating as far afield as Asia but what we've all learnt is that once you've made the jump out of the Balearics, you find you're in the same complex business whether you're in

pad of virtually all the

Canaries." Mr Escarrer junior comes across as a paradigm for a new generation of hotel industry business leaders who fuel the wealth of the Balearics. But it was his father, a self-made entrepreneur, who spotted the leisure trend and pioneered the prosperity of

the Caribbean or in the



Sebastián Escarrer: studied business administration at Wharton College in the US

the islands. *El fundador* (the founder) as his son reverentially refers to him. started work at the age of 16 as a messenger in a Palma travel agency and began managing his first hotel when he was 20.

Sol Meliá lore has it that Mr Gabriel Escarrer, who ad been an altar boy in the local church, enlisted the help of the parish priest to persuade an elderly parishioner to let him run hotel she owned on a profit-sharing basis.

A year later, Escarrer senior was managing five hotels with views over Palma's bay and filling them with the clients of the tour operators whom he had met at the travel agency where he continued to work.

As charter flights began to descend on Majorca in the late 1950s, Sol Meliá's founder soon discovered that he could finance the acquisition of hotels with tour operator contracts. Others in the Balearics followed his lead as the package tourist industry took off.

Mr Sebastián Escarrer studied business administration at Wharton College in the US, worked in investment banking and then for an American hotel chain, before being recalled

by his father to take a job in the family business. The younger Escarrer's singular contribution to the business has been to first segregate it into two companies – one dealing with hotel ownership and the other with hotel management – and then to list the management side of the business on the stock

"I worked out this strategy while I was at Wharton because it was the strategy that Marriot (the US hotel chain) was taking at their headquarters just across the road in Philadelphia. But it took a bit of time to persuade my father that it made sense for us."

The initial public offering by Sol Meliá last summer placed 40 per cent of the family business on the market, raised \$275m in fresh capital for the group and set new records for an international placement by a Spanish company.

Since then Sol Meliá, the only hotel group so far to trade on the domestic stock exchange, has been one of the strongest stocks on Madrid's Bolsa.

In the close-knit world of ılearics business, the Sol Meliá experience could prompt other companies to go public. "I would encourage all sorts of companies to do what we have done," says Mr Sebastian Escarrer.

Analysis believe that the success of the listing and the determined growth strategy that the Escarrers have mapped out for Sol Melia will almost certainly lead the group to tap the markets again. Father and son are keen to open for business in London and in other big European capitals that are favoured destinations for Spanish

Tom Burns

TOURISM • by David White

Attempt to lure big spenders

There is an effort to 'reposition' the islands in the market and extend the season

There is more hotel accommodation in the few miles of flat beach area in the bay to the east of Palma de Mallorca, than in the

whole of Belgium. The Balearic Islands were already well known as a popular holiday destination in the mid-1960s, when the number of visitors reached 1m. Last year, the figure was 8.5m, including im from mainland Spain, heavily outnumbered by more than 3m Germans and 2.5m Britons.

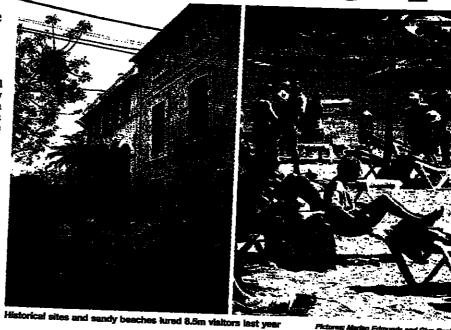
According to the economic studies department of Sa Nostra, the regional savings bank, tourism generated Pta706bn of business last year. Price increases this year are expected to add another Pta21bn, taking the figure over the \$5bn mark at current exchange rates.

What is remarkable is that there is still countryside left. For every square mile of the islands there is a hotel or a holiday apartment block -2,870 of them on the official register, some with more than 1,000 beds.

The hotel business was built on money from international - mainly British - tour operators rather than local capital, but the bulk of it is in local ownership. These Balearics companies not only dominate their home market but in several cases have become tourism multinationals Of the top 10 Balearics

companies listed by Actualidad Económica, the Spanish business weekly, seven are in the hotel, travel or air transport sectors, including the country's two leading private-sector tourism concerns, the Viajes Iberia travel group and the Sol Melia hotel chain. The Barcelo group is one

of the oldest, now with a third generation of the family in top management. It began in 1931 as a small bus service running from Felanitx in the east of Majorca to Palma. Later came a travel



agency, and the company started renting small hotels. When the rapid growth came in the 1960s, it began building its own big hotels aimed at a family clientele, first in Majorca, then the other islands, then mainland

In the 1980s, as the Balearic Islands became increasingly saturated with tourists, the Barceló group pioneered Spanish hotel ventures in the Dominican Republic, where its rivals are mainly other family-run Balearics companies such as Riu Hotels.

The 39-strong Barceló chain now ranges from a Rami, the regional govern-

UK 1.737.000

896.000

Germany 4,407,000 1,378,000

ragua, Mexico and the US. In an attempt to attract From experience accumuhigher-spending visitors, lated as one of the first packsome Ptal50bn has been age-tour destinations, the spent in the past few years on modernising hotels. Hote-Balearics have become a centre of expertise in the sector. liers say they have stopped But in the bargain holiday building more rooms and are market where they made instead concentrating on their reputation, they can no upgrading those they have. longer compete purely on Government plans include price against countries such thinning out some of the

as Turkey with lower labour Regional authorities are now trying to work with the sector to "reposition" the islands in the market and spread the business over the full year. "We could do a lot more," says Mr Antoni

simply cannot take any more in July and August, says Mr José Maria González Ortea, who heads the regional tourism department. "We would even like a slight drop." city hotel in Prague to Nicament's economy chief. Efforts to promote a more up-market image, he says. Foreign visitors arriving by air have so far had more success Germany 7,506,000 3,131,000

in Germany than in the UK, which was the biggest source of custom up to the end of the 1980s. He favours maintaining a wide range, from top-category golf holidays to the basic sun-sandpeople. But the authorities are try-

more densely-developed

coastal zones. In terms of

sheer numbers, the islands

ing to discourage a trend towards "all-inclusive" packages - an increasing source of distress to restaurateurs who have lost business to seen as out of place in the season.

4,000 restaurants and a regional gastronomy that has until recently been undersold.

In the face of competition. says Mr González Ortea, the islands need to focus more clearly on their advantages: their closeness to the main European markets, high

standards, and diversity. From Minorca, relatively spared by mass tourism and dotted with prehistoric remains, to Ibiza, where 1960s-style hippies co-exist with Spanish fashion-setters and low-budget British sunseekers, there is no lack of variety.

Cross-currents of history are reflected in the different forms of architecture, from the Catalan Gothic of Palma's palaces and churches, to the Arab-style houses of Ibiza, to the sash windows of Mahon which remind visitors that Minorca was British-ruled for most of the 18th century.

For geographers, this is not one but two groups of islands, with Ibiza and Formentera belonging to a separate archipelago, the Pitiusas, rather than the Balearics proper.

The bulk of visitors are packed in between June and September. Efforts to increase the winter market have had some success in Majorca, but less in the other islands. Although the maximum mean temperature in December is still a pleasant 17 degrees, many hotels close down from late October to March or April.

As a result of this seasonal

imbalance, the Balearics show a wider variation in unemployment over the year than any other Spanish region. National Statistics Institute surveys showed last year's rate oscillating between 16 per cent in the first quarter to 11.4 per cent and-disco product for young in the third, when it has barely half the national average. The islands' registered working population in July-August was a third more than in January. But the regional government says the disparity is narrowing, the hotels in the past two and the biggest job gains years. The all-in formula is have been made in the low

19.000 m² exhibition

Machinery-Technology-Furnishings-Decoration-Catering-Services

From 5th to 9th November

Palma de Mailorca - Balearic Islands

- · 240 exhibitors 65,000 visitors (10,000 professionals)
- An estimated 2,000 million in turnover*

*January 1995 show,





IX INTERNATIONAL TOURIST TRADE FAIR PROFESSIONAL TOURISM FORUM

TERMINAL "A" PALMA DE **MALLORCA** AIRPORT

For further information: Tel: 34 71 77 13 02 Fax: 34 71 77 01 60





Entrust your hotel to an International leader.



and improve on the results of your management. With Sol Meliá you get the support of a leading hotel company.

Through Management or Franchising, with Sol Melia you will find alternative actions for your hotel and all the strength of a leading International Hotel Group.

 More than 205 hotels in 25 countries. 21 Sales Offices on 4 continents.

Agreements with the world's main tour-operators and

commercial teams specialising in the main hotel segments. SolRes information and booking service connected to all the worldwide distribution networks (GDS). Internet.

 Marketing and Sales support with corporate programmes ("5-Chequebook", "Weekends", "Getaways", etc.) and presence at the most significant international trade fairs.

 Corporate and image publicity campaigns. "MaS" programme for customer loyalty and Quality Control programme.

 Assistance in the operational management of your hotel (Human Resources, Training, Management of Purchases and Maintenance).

And, most important of all, you are still the owner of your hotel

Get in touch with our Expansion Director and we will give you in-depth information about the secrets of our success. Tel.: (34-71) 43 70 23 - Fax: (34-71) 43 70 24

Entrust your hotel to an international



205 HOTELS IN 25 COLNTRIES

already be half-completed

by the time of the election

would make such a turn-

Even if Mr Jospin wanted

to, it is difficult to imagine

he would have a majority in

parliament for what the

elite - and many in his

party - would view as an

insanely destructive act.

Remember that two French

socialists - François Mitter-

rand and Jacques Delors -

were the begetters of Emu,

while many socialists are

true believers in the Euro-

pean idea. They are unlikely

to scrap it at the last minute

when almost all the pain

Market turbulence might

has been suffered.

around still crazier.

Martin Wolf

This Emu can surely fly

With official figures showing monetary union well within the EU's grasp, member states are most unlikely to abandon the attempt now

As in the referendum in September 1992, a French president has apparently French franc proved a bad idea when circumstances entrusted the fate of Eurowere far more strongly pean economic and moneagainst it than now. Betting tary union (Emu) to the against peripheral currenmercies of a disgruntled populace. Many in the UK cies such as the Italian lira hope the French electorate might be more successful will save them from having but this is unlikely to affect the French decision to to decide whether to enter. They are fooling themselves. Emu is far more The principal reason likely to go ahead as France is most unlikely to

recoil from Emu is that so There are three reasons much has already been achieved not just at home. for believing this: European political leaders have but throughout Europe. In repeatedly stated how its forecasts about which important they think the countries will make the conproject is; they have all, vergence criteria last week, including the French, the European Commission already imposed almost all may have gilded the lily. Yet its conclusion that virthe sacrifices necessary to fulfil the Maastricht treaty's tually all member states will end up close to the Maaseconomic convergence criteria; and the pain consequent tricht treaty targets this upon that austerity lies vear looks quite reasonable. In its World Economic Outlargely in the past. look, the International Mon-Many in France are miserable about the austerity of

etary Fund agrees. recent years and Mr Lionel The IMF says that every country, bar Greece, will Jospin, leader of the Socialist party, is campaigning meet the criterion for inflaagainst it. But this is highly tion, which is not to exceed unlikely to lead them after the election to sabotage a performing countries by more than 1! percentage fiscal position that will probably deliver Maastrichtpoints. The same group of 14 compatible results in this, is set to meet the interestthe crucial year. That the rate criterion: that the rate year in question will

Full steam ahead for Emu?

make life difficult for a new government, but only if

project. Betting against the should not exceed those of the same three states by more than 2 percentage points. Of course, any plausible Emu candidate will achieve this automatically, since the market knows it will soon share the same currency.

The public debt criterion is being defined away. This may seem peculiar since the ratio of debt to gross domestic product looks less silly than the deficit as a way of judging whether a country can live with monetary union, the reason being that a country's indebtedness influences its ability to avoid inflationary finance over the long term.

The Maastricht treaty itself merely says that the ratio of gross public debt to gross domestic product should be 60 per cent, or less, "unless the ratio is sufficiently diminishing and approaching the reference value at a satisfactory pace". Astoundingly, Germany is one of few member states that fails on debt: its the level of the three best ratio has been rising and is expected to reach 62 per cent at the end of this year. Arguably, other failures are Spain and Austria.

Yet Belgium, with a debt

General acvernment f	iscal balance, 1997 (%)	
	Forecast	Official target
Germany	-33	29
France	-3.3	-3.0
italy :	-3.3	30
UK	-3.1	· · -
Spain .	-3.2	- 3.0
Netherlands	-2.2	· · -
Belgium	-2.9	-29
Sweden	-0.8	-2.6
Austria	-2.5	-80
Denmark	-0.1	0.2
Finland	-1.9	1.4
Greece	-5.1	-4.2
Portugal ··	-2.9	29
Ireland	-1.6	-1.5
Luxembourg	-0.1	6-15-3 (-22)
AR EU	-3.1	
******************************		 CM in North State

investors start to doubt the on long-term securities ratio of 127 per cent this optimistic: it forecasts year, down from 137 per growth this year at 2.4 per cent in 1993, and Italy, with cent, as does the IMF. a ratio of 122 per cent, down If the European economy

from 125 per cent in 1994,

per cent.

excess over the reference

value is only exceptional

and temporary and the ratio

remains close to 3 per cent."

Italy, France, Spain and

the UK have had declining

fiscal deficits in recent

years. If Germany's were to

be over 3 per cent this year,

that would be exceptional.

Thus if the IMF were to be

right, all these countries

would meet the deficit crite-

rion. Italy is also right to be

annoyed about its likely

exclusion, since its fiscal

effort has been extraordi-

nary: in 1994 its deficit was

Inevitably, these forecasts depend on the short-term

performance of the Euro-

pean economy. But it can-

not be said that the Com-

mission is particularly

9 per cent of GDP.

can both be judged to meet tially more slowly, fiscal the criterion. To conclude deficits would overshoot tar get levels. Against this, the that Germany has failed and underlying fiscal positions Belgium and Italy have succeeded is palpably absurd. are stronger than the fig-The solution has been simures suggest. In 1997, says ply to ignore the criterion. the IMF, structural fiscal This leaves fiscal deficits. deficits - the deficits when According to the Commiseconomies operate at their potential - will be 2 per cent sion, every member state or less in France, Germany will have a general government deficit of 3 per cent of Italy, Spain, Austria, Fin-GDP or less this year, land, Ireland, Sweden, Denexcept Italy (on 3.2 per cent) mark and Luxembourg and and Greece (on 4.9 per cent). below 3 per cent for every Next year, Italy's deficit is other member state, except forecast to jump up to 3.9 per cent, while that of This means the EU has Greece falls to 3.4 per cent. achieved rather more fiscal

were to expand substan-

The IMF is not far from the consolidation than is appar-Commission. It forecasts ent from headline figures. that the UK's deficit will be The target in the growth 3.1 per cent of GDP, Spain's and stabilisation pact of a 1 3.2 per cent and the Gerper cent deficit in normal conditions is no longer very man, French and Italian 3.3 per cent. The others, except far away. Politically Greece, will all be below 3 unpopular cuts in public spending can, therefore, be The treaty says that fiscal matched from now by far deficits should be 3 per cent more popular cuts in taxaof GDP or less, "unless tion. Few are the organised interests in favour of either the ratio has declined smaller fiscal deficits. But substantially and continuously and reached a level many are in favour of lower that comes close to 3 per spending, provided it leads cent or, alternatively, the to lower taxes.

This detailed analysis is necessary, above all because it demonstrates that Emu is well within the EU's grasp If the member states still want to go ahead, they are most unlikely to abandon the attempt now. What applies to the members in general applies at least as much, if not rather more, to France, Emu's prime mover.

This leaves the UK with a painful dilemma. Given the soaring pound and the fact that the UK economy is in a very different cyclical position from the continent, sterling's entry in 1999 would now seem impossibly risky. The next government must decide what to do, instead. Above all, it must decide whether its objective is early entry, or not.

Powerful currents

Water services worldwide are being handed over to private operators, says Leyla Boulton

Aires recently summer free of water shortages in years, most of the credit was claimed by an international consortium led by Lyonnaise des Eaux, the French water group, and including

Britain's Anglian Water. Like many cities around the world, the Argentine capital has turned to private operators to upgrade and manage its water distribution and sewerage network. And from Argentina to Australia, and China to Germany, it is French and British companies that are sweeping up most of the con-

France's two biggest water groups, Générale des Eaux and Lyonnaise, which is proposing to merge with Compagnie de Suez, have the longest experience managing state-owned water assets abroad. But some of the bigger UK companies - created in 1989 when the English and Welsh water industry was privatised - are also keen to expand outside the home market. "This is our future

growth," says Mr David Luffrum, finance director at Thames, the UK company that sumplies water to London. Its foreign contracts include a partnership with Générale to manage water supplies in the Australian city of Adelaide.

Only a few cities, such as Melbourne and Mexico City, are considering UK-style privatisation of the assets themselves. Private involvement in the new water markets typically stops short of full privatisation, ranging from short-term fee-based management contracts to 25year concessions under which companies recoup their costs from water bills.

Existing water utilities often municipally owned lack the capital for moderni- 1bn people sation and are losing subsidies to cover operating costs. "The municipal authorities are bankrupt," says Mr Thilo Steinbach of Eurawasser, a

joint venture between Lyonnaise des Eaux and Thyssen,

enjoyed its first the management of German water utilities.

In many western countries, private sector involvement also offers the prospect of lower bills - mitigated by the cost of ever-rising environmental standards. Water charges in Germany are 30 per cent higher than in France and 50 per cent steeper than in England. The demand for efficient

water services is even greater in developing countries, where 1bn people lack access to clean water. Mr Ismail Serageldin, the World Bank's vice-president for sustainable development and leading expert on water, reckons the world water industry will need more than \$600bn in investment over the next decade.

One might conclude we were entering a golden age for private water operators," says Mr Thierry Baudon. managing director of the international finance division of Lyonnaise des Eaux. "Unfortunately this is not

Many countries still lack the right political and legal climate for turning the water business over to private operators. In poorer countries where new plant will require higher charges to recoup the investment, consumers need to be persuaded to pay higher bills for improved services.

Three UK companies with international water interests Demand for

efficient water services is even greater in developing countries, where

lack access to

clean water

Then Buenos the German conglomerate, have recently made proviwhich is hoping to take over sions for deals that have gone sour. The latest to do so was Anglian which this month unveiled a £15m provision for a Brazilian con-

Even Lyonnaise des Eaux is having to renegotiate the Buenos Aires contract it holds up as a showcase for the virtues of private operators. The aim is to raise charges for water use so it can cut connection charges to speed up the connection

4

1

æ

Dolla

of poorer customers. Mr Alain Dangeard, a Paris-based consultant, says private operators must become more involved in developing the environment they need in which to thrive.

As many of these markets have yet to be created. companies will succeed by making things happen rather than by just observing them," he says.

For example, United Utilities, the water and energy company based in the north-west of England, helped Malaysia design a regulatory system for water and sewerage services it now helps to manage.

Mr Steinbach of Eurawasser says he goes to German cities "even before they begin to talk about private involvement in order to

explain what can be done". Mr Baudon of Lyonnaise des Eaux says: "A mercenary approach and excessive focus on the quarterly bottom line is the surest way to

However, Mr Luffrum of Thames, which expects soon to win a 20-year concession to run half of Jakarta's water supply, says foreign contracts are increasingly turning out "black numbers instead of red ones".

Ms Martine Oborne. responsible for water project finance at Flemings, the London investment bank, agrees. "It's been a learning experience for all of us. The (bad) news we're seeing is a bit of a hangover from the past .. . It would be a pity if UK companies do not play more of a role in these very important international projects over coming years.

Why does retreating to the rural mean a pay rise and more time with the family? Which famous fashion labels are beginning to fall from grace? Is investing in rugby worth the price of the ticket? And if you are in some of the world's smartest stores and not shopping, what are you doing there?

Find out in the monthly how to spend it magazine, published with the Weekend FT on Saturday, May 3.

> Financial Times. World Business Newspaper:

·LETTERS TO THE EDITOR·

Number One Southwark Bridge, London SE1 9HL

We are keen to encourage letters from readers around the world: Letters may be faired to +44 171-873 5938 (please set fax to 'fine'), e-mail: letters.editor@fi.com Published letters are also available on the FI web site, bitp://www.FI.com il: letters.editore incom Publisher in trues are assessed in the main international languation may be available for letters written in the main international languation.

Emu long-term debt problems are too readily dismissed

From Professor Peter Coffey. Sir, Like Professor Paul de Grauwe, "Time to declare victory" (April 18), I have always been in favour of the creation of a European currency (though not at any cost). Similarly, I tend to be

optimistic by nature. However, I would question some of the theses supported by the writer. His main thesis concerns the national budget deficits, as a percentage of gross domestic product, of EU member states. Thus, while the trends are indeed reassuring, we have to ask two questions, First, are these trends - in the case of some countries - the result of "fudging"? Here, I mean the once-and-for-all sales of state assets. And are these trends long term?

I believe de Grauwe, who admits that it is a difficult question, is too dismissive of

From Mr E. Barrie Stephens.

Oil's former chairman.

writes (Letters, April 28)

re-elect Mr Sam Laidlaw,

concerning the proposal to

chairman of Amerada Hess

to the Premier board at the

company's annual meeting

on April 30. Mr Shaw also

conflict of interest arising

cent holding in Premier and

exploration and production

At an annual meeting on

February 13 1995 Premier

shareholders approved the

and agreements made with

Amerada, which had a

acquisition of Pict Petroleum

from Amerada's 25.22 per

raises the question of

its own international

Sir, Roland Shaw, Premier

the problem of long-term debt. But we have to ask. who will fund this long-term debt in an economic and

There is one critically important issue de Grauwe did not examine - the relatively long transitional period between 1999 and 2002 when the euro and the national currencies of the participating countries will fluctuate side by side. During this period, we have at all costs to prevent a repetition of the currency debacle of 1992 (so well described by Peter Norman and Lionel Barber in your newspaper on December 11 and 12 1992). Should there be a repetition of this volatility, we shall loose our credibility forever. Consequently, only the most

monetary union?

stable countries should be allowed to participate in the

first contingent of partici-

substantial shareholding in

documentation full details

were given of agreements

Amerada has the right to

20 per cent or more of the

ordinary share capital.

appoint two directors to the

Premier board while it holds

On the point about conflict

of interest there are, I think,

two points worthy of note.

First, Premier's articles do not permit Mr Laidlaw or

before the board in respect

Amerada and Premier, This

observed, Second, Premier's

any Amerada director to

vote on any resolution

of any contract between

article has been strictly

Pict. In accompanying

between Premier and

Amerada. Under these

Links with Premier fully detailed

pants in the Emu. Finally, it is not at all sure as to the degree to which the creation of an Emu and a European currency will lead to increased economic activity in the RII. While there will certainly be savings in exchange and administrative costs, there will, initially, at least, be costs involved in the move over to the euro. Also, should the euro, at times, be less attractive visa-vis the dollar and the yen, on the international exchange markets, for exam-

Peter Coffey, professor & holder of the US West Chair, University of St. Thomas, DUN241, 52 10th Street South, Minneapolis, MN 55403-2001, US

rapid growth during the last

year, particularly in the highly competitive

south-east Asian region.

background of conflict of

interest, as opposed to the

encouragement that Premier

has received from Amerada.

Mr Shaw writes that he

shareholders will regard this

has the highest regard for Mr Laidlaw's abilities. I

expect most of Premier's

as the deciding factor in voting for his re-election.

23 Lower Belgrave Street,

London SW1W ONR, UK

E. Barrie Stephens,

Premier Oil,

could not have been

achieved against a

ple, interest rates will have

to be raised.

Decline to continue

From Mr Dan Corry. Sir, Arguments about things as complex as gross domestic product per head at purchasing power parity, and where Britain stands in world league tables, can go on forever, as Robert Chote's discussion points up ("Relative wealth statistics are poor guide", April 23). But there are a number of points worth making. First, GDP per head is the best measure of the prosper-

ity of a country over the medium term. The government made exactly this point in several of its competitiveness white papers. Of course GDP does not tell us everything about how a nation is doing, but then that is true of any summary statistic. Second, given how contro-

versial the measurement issues are, it is clearly best to rely on internationally approved figures. OECD figures show the UK is now in 19th position within the OECD, below, for instance, Ireland. It is true the UK is only slightly behind some of the countries that have overtaken it. But this too should be taken in context. Ireland for instance was well over 30 per cent behind the UK as recently as 1980.

While this dispute will continue, it is hard to dispute that the internationally recognised data point to Britain continuing its relative decline, something that most notice whenever they travel abroad.

Dan Corry, Institute for Public Policy Research, 30-32 Southampton Street, London WC2E 7RA, UK

IMF at forefront in urging structural reform in Ukraine

From Mr John Odling-Smee. Sir, The statement by Mr Jeffrey Sachs, reported by article "Ukraine to set trading band for its currency" (April 25), that "As usual, the IMF focuses all its attention on the

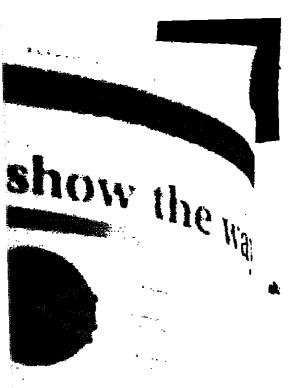
budget deficit and ignores structural reform" is simply incorrect. In Ukraine, as in other countries of the former Soviet Union, the International Monetary Fund has been in the forefront, and uncommonly vocal, in pressing for

deregulation, market-based reforms, improvement in governance, and the enforcement of contracts.

The reality is that these are complex matters, and that sovereign governments. even with good intentions. are finding it difficult to

deliver change as quickly as we all would wish.

John Odling-Smee, director, European II department International Monetary Washington DC 20431, US



Scenes from the Sixties

William Packer compares the different attitudes of the French and British to the decade

cultural, political or whatever- is that it so seldom falls in with the neat numerical divisions of the calen-dar. Yet we fondly persist in believing it does, blithely shoe-horning the one into the other at risk of all sorts

of mental corns and grazes. Take the Sixties, that now distant, sunlit, squalid, confused and confusing golden age. Whatever else it was, it did not begin on the dot of 1960, nor end with 1969. And how lightly the name is thrown about to summon up, well, whatever the thrower cares to summon up - student riots, Vietnam and Grosvenor Square, miniskirts and flower power, Ser-geant Pepper and Rock and Roll, the pill, the Profumo Affair, devaluation and the Thoughts of Chairman Mao.

The trouble is that they were mythologised as they were happening, and myth tends to hang around. We really believed all that stuff about freedom and youth and peace and love, a new dawn breaking with Kennedy. Wilson, Bob Dylan and Cohn-Bendit. It takes a brave man to seek to dispel such myths. But 30 years on is a decent interval, and the cultural historian David Mellor has been making it his busi-

ness for some time now. Four years ago, his study of The Sixties Art Scene in London was shown at the Barbican, a useful trawl through the work of the years from 1956 to '68 - that is to say from Suez, Budapest and "Blue Suede Shoes"

the Royal Court is

doing much for the

. Irish tourist industry at

present. The theatre recently

staged Martin McDonagh's

Beauty Queen of Leenane,

which was set in a dank cot-

tage in the west of Ireland.

featured a miserable old

woman and her embittered

daughter, and focused on

poisoned family ties, loneli-

ness, frustration and dark

secrets. Now, here comes

Tom Murphy's Bailegan-

gaire, which is set in a dank

cottage in the west of

Ireland, features a miserable

old woman and her embit-

tered grand-daughter, and

focuses on - well, you've

a more serious piece of writ-

ing and, it must be said, a

more difficult one to appreci-

ate. But gradually it gathers

force until by the end you

Murphy's play, however, is

guessed the rest.

he trouble with Pocket and "A Whiter Shade of Pale". Now, with Laurent Gervereau, of the Museum of Contemporary History in Paris, whose initiative it was, and Sarah Wilson of the Courtauld, he brings us Les Sixties, a comparative look at what was being done in England and France between 1962 and 1973, from Jules et Jim and the Beatles' first LP to the oil crisis. Vivent les

> o English experience, this second timetable is rather less perfirst, it being more reasonable to anticipate than to prolone Mellor himself accepts that all the elements that were to make the Sixties what they were, were already in place by about 1963 at the very latest - the Beatles, David Hockney, David Bailey, all up and running and Harold Wilson lighting up in the wings.

> But France was running to a later, different schedule which was more openly political and intellectual 1962 saw Charles de Gaulle returned to office, the Algerian settlement supposedly just resolved, the Franco-German Treaty about to be signed. The student manifestations of 1968 were but the mid-way point between the miners' strikes of 1963 and

the general strike of 1973. Such differences emerge in the work itself. Where the French will theorise and strike an attitude, the British will improvise and play about. The British, contrary to stereotype, are hedonistic, and effects of the media. to Prague, the Pound in Our of the moment, gently anar- images of women, the all-

production holds your atten-

tion with three wonderful

performances from Rosaleen

Linehan, Brid Brennan and

Linehan plays Mommo, an

old woman who spends the

entire play in a massive

wooden bed. With her star-

tled white hair and vacant

eyes, she looks like a charac-

ter from Beckett - and

sounds like one, too, as she

embarks on a rambling,

absurdly-detailed story that

seems to have little to do

with anyone on stage. She is

tended to by her grand-

daughter Mary, played viv-

idly by Brid Brennan as an

intense, intelligent woman

whose looks and prospects are beginning to fade.

story, which she narrates

with great flourish, seems

Lippert; May 3

to May 19

To begin with, Mommo's

Ruth McCabe.



chic, the French so very much more to the point. Erro's "Intérieur Américain" has the red guards at the window, bayonets fixed: Pauline Boty's two proto-feminist paintings, "It's A Man's World", with their heroes and pin-ups, is more ironi-cally indulgent than polemi-

Mellor divides his show into five principle sections, though none is, nor could be, hermetic or definitive. They touch severally upon the consumer culture, the uses

James Macdonald's steadfast giddily desperate Ruth end of her tale, creating a

them. But gradually we real-

McCabe), who comes to visit

we are behind Mary, willing

her story and lay whatever

ghost it is that haunts them.

quarrel over what to do with

their rambling relative and

argue about whose life is the

agonisingly protracted story.

Slowly, the two narratives

dove-tail, bringing to a head

the pain and despair of all

remote from Mary and from three characters and, as (0171-565-5000).

he play has a double

the events on stage.

as Mary and Molly

Theatre/Sarah Hemming

Laying a family ghost to rest

cannot be said that are totally enthralled. And her blousy sister, Molly (a Mommo finally reaches the

music and its transmutation into pyschedelia, and finally politics, "Today the Struggle: Tomorrow Utopia. There is nothing of the countervailing formalism of those times, hard-edge and minimalism, and incipient conceptualism, no Yoko Ono. But choices had to be made, and that door is held open by reference to the performance-art and the fizzing light shows and events put on by Mark Boyle and Joan

It is altogether an intriguing exercise, made all the Mao and his Little Red Book Français

Murphy's concern seems

the ornate, almost rococo

for whom every word seems

chosen to keep the truth,

and her own death, at bay.

production, though slow in

places, pulls you into the

story. And Rosaleen Linehan

holds the stage with her rest-

less portrayal of a woman

Royal Court Theatre

Upstairs, Ambassadors

London WC2

It is a dense but engross-

sense of peace.

ise that the story, which she to be partly with language

evidently repeats night after itself and the way it can be

night but never finishes, is a used to both reveal and con-

confession of sorts and that ceal. He contrasts the halt-

at its heart is a guilty secret ing speech rhythms of the

that affects them all. Soon two younger women with

Mommo to get to the end of style employed by Mommo,

most frustrated, and that of suspended painfully between

the events in Mommo's this world and the next.

narrative: that of ing play and Macdonald's

Theatre,

ambivalence of both the original material and the intention of the organisers. In this week of all weeks, the week of the British general election, the point could hardly be more striking. For, now as then, the viewer's complicity in the utopian vision of the left is assumed, the inference clear, that not to share in it would surely be either stupid or perverse. But what of naivety? Those implacable Red Guards are more than a little worrying. We now know rather more of

pervading influence of pop- more so by the curious than we did then, and of Ho Chi Minh and Pol Pot Don't we? And we turn back to Gerald Laing's "Bardot", to Allen Jones's high-heeled dominatrix and Nigel Waymouth's psychedelic extravagance, politically incorrect as they may be, with something like relief.

> Les Sixties - Great Britain and France 1962-73, The Utopian Years: Brighton Museum and Art Gallery Church Street, Brighton, until June 29; supported by Visiting Arts and l'Institut

Concert/Andrew Clark

Out of tune with the western soul

Japanese population in the UK had congregated in the Royal Festival Hall on Saturday to hear the Saito Kinen Orchestra under its conductor. Seiji Ozawa. Since founding it in 1984 in memory of the influential Japanese teacher Hideo Saito, Ozawa has led the orchestra on a series of tri-umphant international tours and made it the focal point of a summer festival in the Japanese Alps. Their latest London concert, devoted to Schoenberg's Verklärte Nacht and Beethoven's Eroica Symphony, reasserted the orchestra's reputation for immaculately clean, finetextured playing. This is without question one of the world's elite ensembles, endowed with a level of concentration and motivation befitting a group of musicians who come together once or twice a year for the

t seemed as if the entire

By rights, the concert should have been exhilarating. Instead, it was profoundly depressing: to think that so much skill, allied to such great music, should result in such emotional and spiritual aridity. During the opening movement of the Beethoven I found myself fantasising about what might happen if another conductor, more in tune with the music's heart and soul, took these players by the scruff and shook them into something less polite, less neatly turned out, but more responsive to the physical and moral force of Beethov-

enian drama. Perhaps Japanese musicians, however well integrated in western orchestras, revert to national stereotype in a group, technically brilliant but robotic. How, then,

do you explain the feminine softness and sheer eloquence with which the violins executed the opening theme of the Schoenberg? Or the ethereal restraint of the cellos in the central Adagio? This was peerlessly sensitive musicianship. And how can you blame Japanese stereotyping in an orchestra which numbers Karl Leister, Reinhard Holch and other distinguished German guests among its players?

more with Ozawa. In the right repertoire and with the right orchestra, he can be quite inspiring. But give him the core classics, the ultimate test of a conductor, and he is like a puppet aping the sounds and movements of his mentors. Beethoven's opening Allegro con brio sounded streamlined and shapeless, as if some superbly oiled machine had ironed out the disruptive offbeat accents and adrenalinpowered climaxes. The funeral march was majestically impersonal. rious horn trio, the finale by the spring-clean effect of the woodwinds in the fugal vari-

Verklärte Nacht fared better, if only because richness of sonority is intrinsic to it. Ozawa pulled the lines of construction as taut as could be, emphasising the neurotic rather than elegiac quality in the music. On this evidence, Japanese musicians have copied their western counterparts to the point where, note for note, they are better than the original But can they tune in to the

Sponsored by Yamaichi.

Jazz/Garry Booth

Blue notes in a rare acoustic

unday is not a very that springs to mind if leave his native Canterbury you're thinking about blue much, he was the first Europrogramming has produced a season of small group acoustic concerts that make the music, the place and the day seem a good combination. It is good value too, for each main event is followed by a "club" gig in the down-

stairs Bechstein Room. Last Sunday, a trio led by the British clarinettist and saxophonist Tony Coe delivered two wistful sets of understated chamber jazz made for a rapt audience and superior acoustic. To the stealthy accompaniment of longtime sidemen John Horler on piano and Malcom Creese on double bass. Coe improvised ruminatively on a mix of well-worn standards and originals.

He looks a shambles, and has the comfy appeal of an old armchair. His latest CD release, "Blue Jersey", may well be dedicated to one of the old pullovers he favours. Ibrahim at the end of May.

But as another jazzer said of jazzy day of the him, Coe has the musical week. Neither is the mind of chess player. Wigmore Hall a spot Though he doesn't seem to

tional Jazzpar prize.

Switching easily between clarinet, soprano and tenor saxophones, 62-year-old Coe explored all the corners of "April In Paris", made a careful brown study of his own "A Song Of Old St Peters" and invoked the gruff spirit of Coleman Hawkins in "Body & Soul". Horier's sparkling and contained runs were the ideal partner for Coe's organised. though wide ranging improvisation: Creese providing vivid yet tranquil colouring for the tunes.

The theme of quietly intelligent extemporisation carries through the season and multi-reeds mephisto John Surman, appears next week; double bill of American Jim Hall and British virtuoso Martin Taylor, and a solo outing for planist Abdullah



Rosaleen Linehan: a wonderful performance

INTERNATIONAL

AMSTERDAM

CONCERT Concertgebouw Tel: 31-20-6718345 ● Rotterdams Philharmonisch Orkest: with conductor Jurikn lampel and soloist Vivianne Hapner in works by Berlioz. Pagannini, Debussy and R. Strauss: May 3

ATHENS

CONCERT Athena Concert Hall Tel: 30-1-7282333 Athens State Orchestra: with conductor Karolos Trikolidis and pienist Nikolai Demidenko in works by Beethoven; May 2

BERLIN OPERA

Deutsche Oper Berlin Tel: 49-30-3438401 Martha oder Der Markt zu Richmond: by von Flotow. Conducted by Sebastian Lang-Lessing. Soloists include Amanda Halgrimson and Herbert

■ BONN EXHIBITION Kunst- und Austeilungshalle der Bundesrepublik Tel: 49-228-9171200 Die Grossen Sammlungen VI: selection of works from the

collection of the Hermitage

Museum in St Petersburg:

■ GENEVA CONCERT

Victoria Hall Tel: 41-22-3283573 Philharmonic Orchestra of St. Petersburg: with conductor Yuri Temirkanov and pianist Constantin Lifehitz in works by Moussorgsid, Rachmaninov and Stravinsky; May 3

■ GENOA

EXHIBITION Palazzo Ducale Tel: 39-10-562440 ■ Van Dyck a Genova ~ Grande pittura e collezionismo: exhibition examining the years Flemish painter Anthony van Dyck (1599-1641) worked in Genoa. The display features around 40 paintings as well as works by artists including Titian, Caravaggio and Rubens; to Jul 13

■ HELSINKI

EXHIBITION Amos Anderson Art Museum Tel: 358 9-640221 The Still Life: 200 years in

Finland: survey of Finnish still life works from the 1800s up to the present day; to May 11

LIVERPOOL EXHIBITION Walker Art Gallery Tel:

44-151-2070001 • Sir Lawrence Alma-Tadema: exhibition of work by the painter who was born in the Netherlands. but settled in London in 1870, becoming very popular for his idealised, but accurately detailed and colourful scenes of Greek and Roman life. The exhibition features some 70 paintings, a selection of watercolours and a display of photographs from the artist's own collection showing the influence of photography on his work; to Jun 8

LONDON

CONCERT Royal Festival Hall Tel: 44-171-9604242 Philharmonia Orchestra: with conductor Kurt Sanderling and violinist Antje Welthaas in works by Mendelssohn and Shostakovich; Apr 30 44-171-9352141 Andreas Schmidt: performance by the baritone, accompanied by

the planist Rudolf Jansen. The

programme includes works by Brahms; May 1 EXHIBITION

Briffish Museum Tel: 44-171-6361555 Printmaking in Paris: Picasso and his Contemporaries:

exhibition examining developments in printmaking that 1970. Organised as a sequence of episodes the display looks first at the Cubist works of Picasso and Braque, then moves on to Matisse, the Surrealists and the post-War work of Soulages and Dubuffet, finishing with pieces by Vasarely, Poliakoff and Manessier from May 1 to Sep 30 National Portrait Gallery Tel:

44-171-3060055 • Ignatius Sancho (1729-1780): exhibition examining the remarkable life of Sancho, who was born a slave yet died a well-known and respected figure in London's literary, artistic and musical circles: to May 11 Tate Gallery Tel: 44-171-8878000

 Lovis Corinth: retrospective exhibition devoted to Lovis Corinth, one of the pioneers of German impressionism. The display includes nearly 90 paintings, approximately 20 drawings and watercolours and a selection of prints; ends on

■ NEW YORK EXHIBITION

Brooklyn Museum Tel: 1-718-6385000

 American Paintings: display of works taken from the Museum's own collection of paintings from the first half of the 20th century. Featured artists include Florine Stettheimer, Marsden Hartley and Georgia O'Keeffe; to Jun 29 The Metropolitan Museum of Art Tel: 1-212-879-5500 The Human Figure in

Transition: American Sculpture from the Museum's Collection 1900-1945: selection of smaller-scale sculptures, illustrating both classical and radical tendencies in representations of the human century; to Sep 28

OPERA Metropolitan Opera House Tel: 1-212-362-6000 Rusalka: by Dvorak. Conducted by John Fiore. Soloists include Renie Fleming

Frances Ginzer and Dolora Zajick;

PARIS

EXHIBITION

Мау 3

CONCERT Théâtre des Champs-Elysées Tel: 33-1-49525050 Orchestre National de France: with conductor Patrick Summers, mezzo-soprano Olga Borodina and paritone Dmitri Hovorstovsky in works by Rossini and Donizetti; Apr 30

Centre Georges Pompidou Tel: 33-1-44781233 Chemin faisant, Frere Crayon et Sainte Gomme: Designs de Martial Raysse, 1958-1996: display of 100 drawings by the French artist who came to prominence in the early 1960s as part of the New Realism, guickly gaining a reputation for having a

more nostalgic peers; to Jun 9 institut Nierlandais Tel: 33-1-53591240 Kees Van Dongen retrouvi.

more modern outlook than his

L'œuvre sur papier 1895-1912: display of work by the Dutch artist who settled in Paris in 1897, quickly gaining a reputation as a society painter of wit and sophistication; to Jun 8 Musée d'Art Moderne de la Ville

de Paris Tel: 33-1-53674000 Jurg Sasse: display featuring 26 recent works by the young German photographer who takes snap-shots of everyday life, which are scanned and altered by computerized technology to produce surreal images; to Jun 22

STOCKHOLM **EXHIBITION**

Nationalmuseum Tei: 46-8-6664250 Acquisitions From the Stockholm Exposition of 1897: display marking the 100th anniversary of what is still the largest exhibition ever held in Sweden. A number of works are being exhibited for the first time

■ VALENCIA EXHIBITION

since 1897; from May 1

to Sep 1

IVAM Centre Julio Gonzalez Tel: 34-6-3863000 Bernard Plossu: exhibition of work by the Vietnamese photographer; to May 30

Listing selected and edited by ArtBase The International Arts Database, Amsterdam, The Netherlands, Copyright 1997. All rights reserved. Tel: 31 20 664 6441. E-mail: artbase@pi.net

WORLD SERVICE BBC for Europe can be received in western Europe on medium wave 648 kHZ (463m)

EUROPEAN CABLE AND SATELLITE **BUSINESS TV** (Central European Time)

MONDAY TO FRIDAY NBC/Super Channel:

FT Business Moming 10.00

European Money Wheel Nonstop live coverage until 15.00 of European business and the financial markets

17.30 Financial Times Business Tonight

CNBC: 08.30

Squawk Box 10.00

European Money Wheel

Financial Times Business Tonight

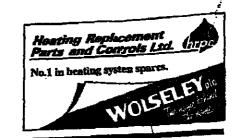


utting edg *

40.00

FINANCIAL TIMES

Tuesday April 29 1997



New Indian government faces crisis over corruption charges

By Mark Nicholson in New Delhi

India's week-old United Front government was yesterday facpolice announced plans to prosecute on corruption charges one of the coalition's senior powerbrokers.

The Central Bureau of Investigation. India's central crimi-nal agency, said formal corruption charges would be laid within a few weeks against Mr Laloo Prasad Yadav, the controversial chief minister of Bihar, one of India's poorest states. He is also president of the Janata Dal, the biggest single party in the UF coalition.

The charges risk aggravating political differences within the 12-party UF a week after a divisive leadership battle ended with the election of Mr IK Gujral as prime minister.

Dollar sees

senior economist at Citibank

Japan, said "the markets will

gradually come to understand"

the significance of the G7

statement. Strategists read

this comment as a threat that

Japan would intervene in the

market, perhaps aided by

other G7 nations, if the dollar

rose further. Mr Hans Tiet-

meyer, the Bundesbank presi-

dent, said the G7 countries did

not want an "overshoot" in the

from its new partner. News

Corp had also asked for other

proceeding. EchoStar said the

demand that it should switch

to News Corp's own condi-

tional access system would

have "economic and technolog-

ical implications". but refused

to give more details of the dis-

News Corp could not be

reached for comment. although officials were quoted as saying they expected the

merger to proceed once the dif-

The row is the latest in a

series of setbacks for Mr Mur-

ferences had been resolved.

doch's project.

foreign exchange markets.

News Corp

TV threat

Continued from Page 1

new rise

Continued from Page 1

light to buy dollars".

The development also coin-

Senior coalition powerbroker will fight \$280m allegations

cides with the emergence of in Bihar as a self-styled advo-policy differences in the coali-cate of "empowerment" for the the UF said they intended opposing several proposed

reforms in the UF budget. The opposition Bharatiya Janata party, as well as four leftwing parties within the UF. immediately called for Mr Yadav's resignation. "This is necessary to conform to the norms of public conduct and propriety," the quartet said in

a joint statement. But Mr Yadav resisted, saving he saw no reason to quit and would fight the charges in court. "I am fully confident I will win." he said. Mr Yaday, a tenacious and unorthodox poli-

tion as four leftwing parties in state's lower castes and has establishment manner.

The charges arise from a 15-month investigation into alleged misappropriations to rejoin the coalition. worth up to Rs9.5bn (\$280m) over several years from a series of Bihar state schemes to provide subsidised animal

The Central Bureau of Investigation said it would also prosecute 55 others, including one sitting UF minister from Bihar and several Bihar politicians and civil servants.

Mr Yadav's defiance risks deepening political divisions

UF government, already raw from the leadership battle just

over a week ago.
Such strains had already prompted the Tamil Maanila Congress, a regional Tamil Nadu party, to withdraw from the United Front. The TMC. which includes Mr P. Chidambaram, finance minister in the last UF government and author of its budget, was yes-terday still debating whether

Should the TMC remain aloof. Mr Guiral would have to pilot the budget's finance hill through the house himself, having kept the finance portfolio in the hope of persuading Mr Chidambaram's party to return to the fold.

The leftwing parties seeking changes in the budget are opposed to proposed state asset sales and an opening of health insurance to private

Italian Northern League suffers election setback

in London, called it "a green By Robert Graham in Rome

Some G7 officials in Wash-The populist Northern League, ington yesterday made more which advocates secession aggressive comments on the from the Italian state, suffered a significant political reverse dollar. Mr Yasuo Matsushita. the governor of the Bank of in Sunday's local elections.

Voters in the rich northern industrial regions of Lombardy, Piedmont and the Veneto seemed to have deserted the League for the parties in the centre-right opposition alliance headed by Mr Silvio Berlusconi, the former premier.

The vote for parties in the centre-left Olive Tree coalition government, headed by Mr Romano Prodi, held up surprisingly well, in spite of opinion polls showing an erosion of support. Compared with last April's general elections, the Olive Tree coalition plus the hardliners of Reconstructed Communism looked set to lose little more than 1 percentage point of its vote nationwide. The Party of the Democratic the first round. Left (PDS), the dominant partvote, while in the north the

Bossi, the League leader. With office last May.

Voters abandon secessionist party for centre-right opposition group

counting still going on last night, it was clear the League had lost its flagship city of Milan which it captured in 1993 and turned into a symbol of its new-found political clout.

The League was projected to gain more than 15 per cent of the vote, compared with 40 per cent four years ago. Across the north, with few exceptions, the League suffered similar reverses. This enabled the candidates of the centre-right cut public spending and sus-opposition in the politically tain a credible budget deficit. crucial cities of Milan and Turin to come out ahead with almost 44 per cent of the vote. though they failed to obtain an absolute majority to win on

The elections involved 9.4m ner in the coalition, main-voters, almost a fifth of the and councils in 1,115 cities and towns, and six regional adminsionist rhetoric of Mr Umberto alliance, backed by RC, took

Local elections are run under a first-past-the-post system, unlike general elections which have 25 per cent of seats elected by proportional repre-

sentation. RC, which is not part of the government but provides parliamentary support, saw its vote rise to almost 10 per cent. The RC's performance will be decisive in the run-off voting on May 11 in many cities especially Milan and Turin.

Commentators said RC would be able to exercise increased influence over government policy. This will be important in the negotiations for pension reforms, regarded by the government as vital to Commentators said Mr Ber-

lusconi's position as leader of the opposition had been eroded by the growing importance of the vote for the rightist National Alliance led by Mr Gianfranco Fini. In a number of towns, the AN vote Berlusconi's Forza Italia move ment. Disaffected League votes are believed to have gone to AN in the north rather than to

Italian voters, Page 2

smaller centrist parties lost ground. istrations. It was the first significant test of electoral opin-Voters shunned in large numbers the bombastic secesion since the Olive Tree Forza Italia.

Continued from Page 1

year east European exports fell to 4.64m tonnes. Western exports to eastern

A plan to beam local broadcast programmes from space. starting this year, has been held up indefinitely by legisla-

Europe are smaller - totalling 827,000 tonnes in 1996.

But they are concentrated in high-priced products such as stainless and coated steels. Mr

1020

Steel prices equalise across Europe Fish said that the increase in east European prices would

> Import duties, now imposed Europe, are scheduled to be

on EU exports to eastern removed in 1999, under agreements between the EU and

now create more import oppor-

tunities for western compa-

east European countries.

However, Eurofer, an EUwide steelmakers' organisation, said that it remained difficult to expand exports to eastern Europe because potential purchasers rarely had cash to pay for orders. Granting credit was "risky"

FT WEATHER GUIDE

Europe today

Most of central Europe and southern Scandinavia will have rain, with maximum temperatures between

Eastern Europe will be warmer with sunny spells. A few scattered thunder showers may occur during the afternoon. The Benefux, UK and wastern

France will be mostly cloudy with temperatures between 12C and 17C. A shower is possible, especially in the morning. Most of Spain and Portugal will be rather sunny and warm with

temperatures exceeding 30C in the

Five-day forecast

High pressure will steadily expand towards western and central Europe and most regions will turn drier and warmer, Only the UK, southern Scandinavia and the northern Benefux will stay rather cool. South-western Europe will be sunny and warm. South-eastern Europe will turn rather cool and unsettled



Lufthansa

Chicago Cologne Dakar Dallas Oeth: Dubai Dublin

Your hub to the heart of Europe.

Manichester
Marilla
Melbourne
Mexico City
Miarry
Mizari
Montreal
Moscow
Munich
Nairobl
Najrobl

187 32 cloudy 12 rain 15 sun 24 sun 27 fair 23 sun 24 sun 18 fair 15 rain 15 wer 18 fair 21 fair 16 rain 12 rain 12

they couldn't tilt and go.

Flight control actuators supplied by Dowty enable Bell Boeing's V-22 Osprey tiltrotor to take-off like a helicopter, fly at nurbo speed, then settle safely onto its Messier-Dowty landing gear. Success with the US Marine Corps has encouraged Bell Boeing to announce a smaller civil version, the BB609.

In contracts worth \$100 million each on projected aircraft sales, Dowty will supply the flight actuator system and Messier-Dowty, TI Group's joint venture with Snecma, the integrated landing gear system. Capable of carrying nine passengers 750 miles at around 300 mph, the BB609 has a brilliant commercial future - and Dowty will tilt things in its favour. Dowty is one of TI Group's three specialised engineering businesses, the others being Bundy and John Crane. Each one is a technological and market leader in its field. Together, their specialist skills enable TI Group to get the critical answers right for its customers. Worldwide,

Without us,



GROUP

WORLD LEADERSHIP IN SPECIALISED ENGINEERING

THE LEX COLUMN

Angst at Andersen

For a business stuffed with corporate strategists, the messiness of Andersen Worldwide's structure - currently the source of much internal anget - is truly amazing. Theoretically, AW brings together Arthur Andersen (accountants) with Andersen Consulting (consultants). Yet although resources, training and even profits are shared according to a murky formula, the two businesses are staffed and run separately. Little attempt is made to direct clients of the one in the other's direction. On the contrary, the growth of Arthur Andersen's consultancy business means they

increasingly compete. But does this matter much? It is difficult to believe so. There is certainly a case for further disentangling the two businesses' financial arrangements to reduce unnecessary friction, if this can be done while preserving the value of a mutually beneficial brand. But if it cannot, rivals would be unwise to crow. AW may have a peculiar and fractious structure but it has not done its business much harm. The spectacular growth of Andersen Consulting in particular, has left the more integrated accountant/consultant combines standing. And its unusual freedom from the accounting culture is one of the more persuasive explanations.

The world's defence industry is pursuing a strategy of wholesale consolidation, but Italy's Finmeccanica may miss out because it is too busy fighting Byzantine power struggles with its owner, Iri. Iri was set up as the state-led engine for economic recovery, but it has become a destroyer of economic value. It is a buffer between state industry and government – a holding company for holding companies

- which has done little to foster management accountability. By comparison, since control of Stet, the Italian tele-communications group, was passed from Iri to the treasury. Stet's structure has been rationalised and new management introduced - and its share price has soared. The latest row over Finmeccanica suggests it is bigh time lri's remaining industrial holdings got the treasury treatment.

Finmeccanica has underperformed the Italian stock market by 79 per cent since 1993, as it accumulated losses. But the management finally realised that Finmeccanica had to restructure or die.

TSE Eurotrack 200:

Iri has come up with an alterna meccanica back into a holding company, giving its various operations more autonomy. This gives those businesses more power to fight against being sold off, and therefore extends Iri's raison d'être. The government should make a counterproposal - to shut down the costly iri, and let the treasury accelerate the privatisation process. If it does not, there could be little left to sell.

CVRD

The Brazilian legal system permitting, today should finally witness the privatisation of Brazil's CVRD, the world's largest iron ore producer. If the form book is to be believed, the Valecon consortium, including South Africa's Anglo American and Grupo Votorantim, Brazil's largest family company, will prevail. Certainly the synergies are more compelling than with the rival CSN consortium, which has played the reluctant bidder with some conviction.

For Anglo, CVRD offers a unique opportunity to become overnight a huge force in the iron ore market. Votorantim, meanwhile, can lick its lips at the benefits to be garnered from access to the CVRD's huge rail network. But whether shareholders should cheer is more questionable. The value of the assets is not in doubt. But the tight security around the Rio de Janeiro stock exchange is a sobering reminder of how difficult it may prove to realise this value. The hostile political climate precludes any wholesale job cuts or restructuring. Perhaps it is just as well that two family companies, famous for taking the long

ceed in today's auction.

Cadbury Schweppes

International food/drink companies from Unilever to Danone to Coca Cola have won over the investment palate of late, but Cadbury Schweppes has remained too bitter-sweet. And until its management outlines a more convincing strategy for the soft drinks business, it will struggle to win a rerat-

Cadbury's problem is that it is a distant third in the US soft drinks market, against formidable competitors which control their own distribution. And its international presence scarcely registers. Cadbury's route to the US market is on the back of Coke. PepsiCo, and a motley crew of independent bottlers - an unenviable position. So while Cadbury continues to increase drinks profits, a growing risk rating is being attached to that profit stream. The management needs to help convert the independent bottlers into a viable competitive force by encouraging rapid consolidation. That would create a stronger safety net. And if PepsiCo launches a competitor to 7-Up, as expected, safety nets will be in high demand.

However, it should be possible to strengthen the independent system substantially over the next few years. And the rewards would be considerable. Cadbury's shares trade at a price-earnings discount to the market. But successful global branded businesses attract premium prices, as Procter & Gamble's Tambrands acquisition shows.

Hambros

It was always ironic that Hambros advised the near-bidders for the Co-operative Wholesale Society, a sprawling quirk of history crying out for restructuring. Hambros itself, after all, has its own aggressive shareholder complaining of years of underperformance and demanding reform of the

bank's antiquated structure. CWS should not use yesterday's apology from Hambros as an excuse to avoid necessary changes. But by the same token, this embarrassing episode should encourage Hambros. too, to think long and hard about the virtues of a break-up and thus greater management focus.

Additional Lex note on Halifax,

FINANCIAL TIMES

Number One Southwark Bridge, London SE1 9HL Tel: +44 171-8/3 3000 Telex: 922186 Fax: +44 171-407 5700 Tuesday April 29 1997

Europe is the issue

Sometimes, Sometimes, the question confronting electorates is of decisive importance. In 1979, it was whether the UK could be governed; in 1983, whether it would have a market economy. This year, the issue for the business community is whether Britain can remain constructively engaged in Europe during what will be a crucial period for the European Union's economic and political future.

If this is the question, there is only one answer. The Conservative party has reached a point which makes it all but impossible for its leaders to implement rational policies towards Europe. By default, that opens the door to Mr Tony Blair and

This does not amount to anyendorsement. The closer Mr Blair has got to power, the less impressive he has appeared. Under his leadership, Labour has made a bold and decisive break with its past, and embraced the market economy. But somehow he has failed to persuade the public of what he actually stands for. He evinces moral indignation at the Tories, and then accepts the policies whose authors he has condemned. Where once he looked brave, he can now look shallow.

Europe apart, the balance of advantage from a business perspective tilts in favour of the Conservatives. Neither of the main parties has a commanding lead when it comes to macrocommitted themselves to an independent Bank of England; like implausible objectives for admits that taxes are more Labour, with its sights set on two election victories rather than just one, seems as likely to be prudent in its fiscal and monetary policies as the

Business fears

Its instincts in these areas are not to be trusted. Business Labour budget with trepidation: corporation tax and dividend tax might look an irresistible by that of the EU as a whole. opportunity to a chancellor who

many other tax areas. On the European question, Labour has wriggled uncomfortcampaign, in the face of a growicy of constructive engagement Relations between the UK and the rest of Europe have deteriorated sharply in the course of the last parliament. Again and again, the government has become embroiled in futile and ill-considered conflicts with its European counterparts. Government through the Whips' office negotiating with one eye over the shoulder at the restless back benches: all this has become a familiar part of the political process. With the Conservative party in its present state, it is hard to see how things could improve in the next parliament.

Monetary union

Mr John Major would find it very difficult to sustain his senthing like an enthusiastic sible wait-and-see approach towards European monetary union now that so many of his own MPs have publicly ruled out ever joining the project. He would have enormous trouble in reaching agreement with the rest of the EU on a new treaty at the intergovernmental conference, or indeed on almost anything. The risk, despite the inclinations of the present leadership, is that a re-elected Conservative government could find itself drifting further away from its European partners, even to the point where membership of the EU itself came into question.

The UK needs Europe, and Europe needs the UK. The fortunes of British business are economic policy. They have not inextricably linked with the preservation and extension of the single market, which rests they are both tied to what look in turn on continued UK participation in the political structures public spending; and neither of the EU. More broadly, the UK's influence in the world is likely to be raised than cut. But increasingly a function of its membership of the EU. Disengagement is not an option any government could responsibly

Britain also has much to contribute, politically and economically. The coming years will determine whether the EU can reform its internal institutional Labour's policies towards the land economic structures in a micro side of the economy are way that will permit enlarge another matter. The windfall ment to the east and an open tax on the privatised utilities is and confident approach to the wrong, the minimum wage is world. The influence of the UK risky, signature of the European should be crucial in this social chapter is unnecessary. respect. And whether or not it chooses to engage in every aspect of European integration would rightly view the first the economic and political wellbeing of the country will be shaped to a significant extent

The Financial Times has no already had his hands tied in so party affiliations, and its readers make up their own minds about how they vote. Its opinions are shaped by a belief ably during the course of the in the market economy, free trade and the creation of an outing public mood of eurosceptic- ward-looking Europe. This has there is no serious internal chal- have been exceptions. 1997 is

ism. How it would behave in made it a natural supporter of office is an open question. But the Conservative party in elechere it has one clear advantage: tions over the years. But there

Dollars talk

This time, it seems, they really industries and threw many mean it. The finance ministers of the Group of Seven industrial nations agreed in Washington the dollar had gone quite far enough. They said it first at their meeting in Berlin on Februggy 7. This time, the words were perceptibly tougher. Since Berlin the dollar has risen a forther 2.4 per cent against a tradeweighted index of currencies and more important, by 8.2 per ent against the yen.

11,65

St. British

Send States

A.

It is not surprising that the markets yesterday greeted the something of a yawn. Official intervention on a big scale is a mere wisp of a threat. Interest rates show no sign of moving to favour a weaker dollar. There are other reasons for not becoming over-excited by its present evel, despite the rise since April 1995 of 20 per cent trade weighted and 53 per cent

against the yeu. That rise started as a correction, cheered on by the world's financial leaders, and has not yet returned the US currency to its value against the yen in Jan-uary 1993. So why has Mr Robert Rubin, the US Treasury Secretary, been expressing (cautious) concern? The reason is the increasing volume of imports to the US, particularly of Japanese manufactured

The latest figures on automobile imports, now running around 40 per cent above last Year's levels, have revived painful memories of the 1980s when Japanese imports caused deep

workers out of their jobs. But the dollar is now less than half its value against the this weekend that the rise in yen compared with the first half of 1985. More important, the US economy has become stronger, is running flat out at full employment and is benefiting from the mild counter-inflationary push of a strong dollar. On the other hand, the Japanese economy, still weighed down by an overhang of debt, is set to decelerate this year as a result of recent increases in taxes.

Although a recurring theme latest pronouncement with of US policy has been that something of a yawn. Official Japan should reduce its depennce on exports by stimulating the domestic economy, the Jananese government does not see interest rates are as lew as they could be, and a government deficit of 7 per cent of GDP gives little room for fiscal loosening. Nevertheless there are dangers of a further rise in the US currency, which may be as much political as economic. The ugly cries of protectionism and xenophobia have been muted during the US recovery, but ris-

For this reason, as well as a desire to protect the interna-tional value of domestic assets, Japan also has an interest in restraining the dollar's rise. However, the markets confidently expect US interest rates to rise relative to those in Japan. So, whatever the G7 may hope for the question remains: unds to uncompetitive US is anyone listening out there?

dollar and a reversal of the

recent employment trends could

Targeted by Washington

US pressure to join an anti-missile project has put the Japanese government in a difficult position, says Gwen Robinson

after the end of the second world war Japan relied for its defence needs on the of the US nuclear umbrella. Under its constitution - often described as pacifist - the country has stayed out of international alliances and its armed forces have developed along purely defensive lines.

But in 1993, Japanese complacency was shattered when a North Korean missile plopped into the Sea of Japan, just off the country's west coast. Tokyo learnt of the test firing only when Washington passed on the news - a blunt reminder of the country's security inadequacies.

In recent weeks, fears have been rekindled by reports that North Korea has deployed Rodong-1 missiles, capable of reaching most parts of Japan. Statements by Mr Hwang Jang Yop, the high-ranking North Korean defector, that Pyongyang is "capable of scorching" Japan as well as South Korea with nuclear and chemical weapons have emphasised the country's vulner

ability. These events have given added impetus to the talks between Tokyo and Washington over US proposals for the joint development of a sophisticated antiballistic missile system known as the Theatre Missile Defence project. Mr Ryutaro Hashimoto, Japan's prime minister, has promised a decision later this year - aware of growing American pressure on Japan to shoulder more of the Asian regional defence burden.

But in Japan, the proposal to join the project has put the government in a difficult position. Participation would place unwelcome strain on the defence budget, alarm neighbours and almost certainly force the country to revise its constitution.

As a Japanese official puts it: "We don't want to say yes and we don't want to say no; but it's hard to see how there can be a soft landing for this issue." On paper, Japan's military

strength looks impressive - it ranks among the world's four largest military spenders. It has ample shiny, new equipment including state-of-the-art airborne warning and control systems (Awacs), sophisticated military ectrono equipped with Patriot antimissile systems.

But in modern warfare terms, the Japanese military – called the "Self-Defence Forces" - is rather like a warrior samurai swinging a very blunt sword. Not only is it without a nuclear deterrent, it has no deen-water navv and only limited ability to reach potential enemies.

Defence spending for the current year has risen by just under 2 per cent to Y4,940bn (£24bn) with almost half going on personnel-related costs and around 12 per cent on maintaining US forces in Japan, less than a fifth is spent on defence equipment. Washington has been pushing

Japan to participate in the Theadecline of the industry. tre Missile Defence project since 1993, arguing Japan has been able to establish itself as an economic power while sheltering under US protection. The project aims to develop a system capable of protecting limited areas, or "theatres", from tactical missiles with a range of about 3,000km.

entry to a lavish reception

Helant Kohle feelings for langue Chrangess ever warnes. Goods also beautifu

noted by Ankl in honour of the

TMD systems use spy satellites to detect hostile missile launches and relay signals to advanced land or sea-based anti-missile systems which intercept and destroy the missiles. However. the Japanese have in the past been sceptical about such systems: the precision required to hit and destroy incoming missiles is greater than "shooting down a bullet fired from a pistol", according to one defence

A similar anti-missile defence programme to develop a "Theatre High-Altitude Area Defence" system for the US army has failed all four trials - the latest on March 8 - missing targets by a

Recently, however, Japanese interest in TMD co-operation has discreetly revived. In the financial year which ended in March, the government allocated Y440m for preliminary research on the project, and requested leading defence contractors to study ways they could contribute.

Executives at one leading Japanese defence contractor, which has been studying missile production since the early days of President Ronald Reagan's Strategic Defence Initiative, say the industry is already gearing up for participation. Defence companies see the TMD project as an opportunity to move into international markets and reverse the steady

The industry grew strong on government contracts in the 1970s and 1980s, at one point capturing 70 per cent of the country's total military procurement budget. Contractors eagerly ploughed money into R&D, co-operated fully with each

tions of military engineers. This fostered a peculiarly Japanese brand of "techno-nationalism", according to Professor Richard Samuels, a specialist on Japanese defence at the Massachusetts Institute of Technology.

"Defence technology was valued for its ability to elevate the capacities of the economy as well as to produce military hardware; defence production became firmly embedded in the institutions of the commercial economy," he says.

owever, spending cuts on frontline equipment combined with greater competition nese companies with a declining

The 20 biggest contractors, led by Mitsubishi Heavy Industries, are shifting increasingly to civilian commercial production. They are also demanding a lifting of the ban on weapons exports introduced in the 1970s after a scandal over sales abroad, And . they have recently established an industry forum with leading US defence contractors.

"This happened only because both governments asked the private sector to promote relations," says a defence industry spokesman with Keidanren, the leading business organisation. "The Japanese government clearly feels it's time to start a dialogue.". However, there are constitu-

tional and political obstacles to "pacifist" constitution, which of participation in the project.

tive defence arrangements. Supporters of the project say that may be a good thing and would move Japan toward becoming "a normal country", a term coined by Mr Ichiro Ozawa, would draw fierce opposition from Japan's powerful pacifist lobby, endangering the survival of any government.

Scud B:

Rodong 182;

1,000km

Under development: Taepo Dong 1: 2,000 Km

Pointing the way: the US wants

Japan to in a defence project

Worse, it would almost certainly provoke neighbouring military powers - notably China and North Korea - to develop their offensive capabilities further. China implied such threats in complaints last year to the to change. Partly in preparation, United Nations about Japan's Japan's defence forces have been missile defence deliberations.

from foreign suppliers – particu- For Tokyo's financial manda- logically more: larly in the US – have left Japa- rins, a primary concern is the tary structure. cost of the project. Japanese contractors and officials estimate it could be as much as \$150bn - and that Japan would be expected to bear at least half the costs.

basic capability could be developed for as little as \$4.5hn. And early calculations have shown that developing an efficient system would cost at least \$40bn.

However, the limited history of collaboration between the US and Japan on defence projects is not encouraging. The only example is the joint development of the F-2, known until recently as the FSX fighter jet, which ran way over schedule and has been dogged by disputes over budgets and exchange of defence technologies. Privately, defence officials and Japanese participation in the industry executives say that TMD project. Fall involvement. Japan, reliant as it is on the US would probably require a com- nuclear umbrells, will have no plete overhaul of the country's choice but to agree to some form

under a current review of US-Japan security co-operation, due for completion in September.

"New infrastructure is necesthe main opposition leader. But it sary because Japan's defence systems must be undated, now we know how big the missile threat is," says another defence industry executive. "But we never looked at it because the US was always responsible and Japan needed to keep only a minimum defence capability.

Tokyo is keenly aware that its insular defence policy will have moving toward a leaner, technologically more sout

The transition, however, has brought new realisation, according to Barbara Wanner, a politihat Japan would be expected to cal analyst with the Washington-bear at least half the costs.

But the Pentagon claims a Joint projects with the US on weapons systems may be the only way for Japan to afford military innovations while preserving domestic defence technological capability.

Government officials suggest the most likely outcome of the negotiations over the TMD project is Japan's initial agreement to partial participation - with a view to stepping up involvement gradually. This would have sev-eral advantages for Japan: the Americans would be mollified, if not happy; there would be little domestic fuse; Japanese industry would gain access to the project; and expenditure - at least at early stages - would not be sig-

nificantly large.
A little bit of yes and a little bit of no: in the eyes of many, an

Ginancial Times

Trade in Medica British trade in Medica British trade in Medica are told in a Consider report on the tradead VerigiCruz, suffers from the variety of too much econders in the employment of agains and travellers, sail too little

regard being paid to the

question of nationality, for our Consul points out that

commercial coepetation the question has a prelifer influence than is generally

acknowledged. It appears that British merchants are in the habit of placing their interests in the bands of foreigners to save the expense of educating

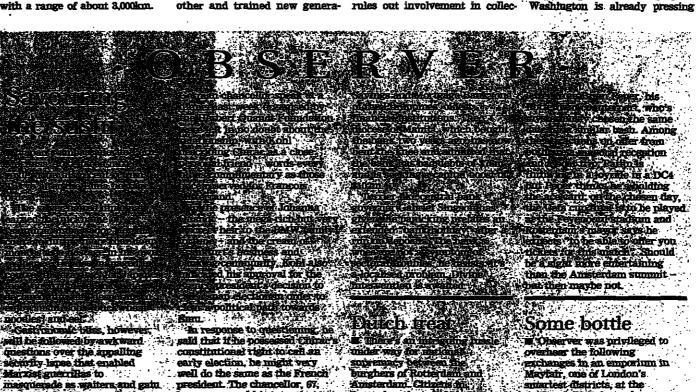
there is no doubt that in

travellers of their own

nationality. Trade secrets

may thus be disclosed to

competitors in other



campaign again next year, when the German general election is fixed for October fast three months before the single currency is supposed to be lanenese emperor's hirthday Bwenyo, he's keem to return to Perpes, Apan's mahessallor. People of my generation are worksholics. I want to go has as som as possible." That sibe Cardinal error

The Lord cannot always provide when the Catholic Church ges mised up with tends which realing to the latter which is the case the storie de Pletad.

has announced his intention to

Ething I. H. Gens

There's an integrible busile
under way for nationals
survenney between the
survenney between the
survenney between the
survenney between the
survenney between the
survenney between the
stratedam. Citizens in
stratedam. Citizens in
stratedam. Citizens in
stratedam. Citizens in
stratedam. Citizens in
stratedam. Citizens in
stratedam. Citizens in
stratedam. Citizens in
stratedam. Citizens in
stratedam. Citizens in
stratedam. Apartment in
stratedam. Apartment in
stratedam. Apartment in
stratedam. Citizens in
stratedam. Citizens in
stratedam. Citizens in
stratedam. Citizens in
stratedam. Citizens in
stratedam. Citizens in
stratedam. Citizens in
stratedam. Citizens in
stratedam. Citizens in
stratedam. Citizens in
stratedam. Citizens in
stratedam. Citizens in
stratedam. Citizens in
stratedam. Citizens in
stratedam. Citizens in
stratedam. Citizens in
stratedam. Citizens in
stratedam. Citizens in
stratedam. Citizens in
stratedam. Citizens in
stratedam. Citizens in
stratedam. Citizens in
stratedam. Citizens in
stratedam. Citizens in
stratedam. Citizens in
stratedam. Citizens in
stratedam. Citizens in
stratedam. Citizens in
stratedam. Citizens in
stratedam. Citizens in
stratedam. Citizens in
stratedam. Citizens in
stratedam. Citizens in
stratedam. Citizens in
stratedam. Citizens in
stratedam. Citizens in
stratedam. Citizens in
stratedam. Citizens in
stratedam. Citizens in
stratedam. Citizens in
stratedam. Citizens in
stratedam. Citizens in
stratedam. Citizens in
stratedam. Citizens in
stratedam. Citizens in
stratedam. Citizens in
stratedam. Citizens in
stratedam. Citizens in
stratedam. Citizens in
stratedam. Citizens in
stratedam. Citizens in
stratedam. Citizens in
stratedam. Citizens in
stratedam. Citizens in
stratedam. Citizens in
stratedam. Citizens in
stratedam. Citizens in
stratedam. Citizens in
stratedam. Citizens in
stratedam. Citizens in
stratedam. Citizens in
stratedam. Citizens in
stratedam. Citizens in
stratedam. Citizens in
stratedam. Citizens in
stratedam. Citizens in
stratedam. Citizens in

Observer was privileged to overhear the following exchanges in an emporium in smartest districts, at the weekend. Well-tressed customer to charming assistant: "Do you know anything about wine?" Told that she did not, the customer suggested: "Send me meone who does." The southern port also deems from an indemning soing of the policity surrounding the capital anyone. At which point the existence a magnine at anyone anyone anyone anyone anyone at more policity surrounding the capital anyone. At which point the existence a magnine at anyone anyone at anyone

50 years ago Swedish Trade With Japan Stockholm, 28th April. Many

Swedish companies are interested in resuming trade with Japan, and official contacts have been opened with the United States occupation authorities in Tokyo, it is expected that nistives will be among representatives will be and the 400 businessmen to be

AND REPORT OF THE PROPERTY OF THE PARTY OF T

FINANCIAL TIMES

Number One Southwark Bridge, London SE1 9HL Tel: +44 171-8/3 3000 Telex: 922186 Fax: +44 171-407 5700 Tuesday April 29 1997

Europe is the issue

Sometimes, Sometimes, the question confronting electorates is of decisive importance. In 1979, it was whether the UK could be governed; in 1983, whether it would have a market economy. This year, the issue for the business community is whether Britain can remain constructively engaged in Europe during what will be a crucial period for the European Union's economic and political future.

If this is the question, there is only one answer. The Conservative party has reached a point which makes it all but impossible for its leaders to implement rational policies towards Europe. By default, that opens the door to Mr Tony Blair and

This does not amount to anyendorsement. The closer Mr Blair has got to power, the less impressive he has appeared. Under his leadership, Labour has made a bold and decisive break with its past, and embraced the market economy. But somehow he has failed to persuade the public of what he actually stands for. He evinces moral indignation at the Tories, and then accepts the policies whose authors he has condemned. Where once he looked brave, he can now look shallow.

Europe apart, the balance of advantage from a business perspective tilts in favour of the Conservatives. Neither of the main parties has a commanding lead when it comes to macrocommitted themselves to an independent Bank of England; like implausible objectives for admits that taxes are more Labour, with its sights set on two election victories rather than just one, seems as likely to be prudent in its fiscal and monetary policies as the

Business fears

Its instincts in these areas are not to be trusted. Business Labour budget with trepidation: corporation tax and dividend tax might look an irresistible by that of the EU as a whole. opportunity to a chancellor who

many other tax areas. On the European question, Labour has wriggled uncomfortcampaign, in the face of a growicy of constructive engagement Relations between the UK and the rest of Europe have deteriorated sharply in the course of the last parliament. Again and again, the government has become embroiled in futile and ill-considered conflicts with its European counterparts. Government through the Whips' office negotiating with one eye over the shoulder at the restless back benches: all this has become a familiar part of the political process. With the Conservative party in its present state, it is hard to see how things could improve in the next parliament.

Monetary union

Mr John Major would find it very difficult to sustain his senthing like an enthusiastic sible wait-and-see approach towards European monetary union now that so many of his own MPs have publicly ruled out ever joining the project. He would have enormous trouble in reaching agreement with the rest of the EU on a new treaty at the intergovernmental conference, or indeed on almost anything. The risk, despite the inclinations of the present leadership, is that a re-elected Conservative government could find itself drifting further away from its European partners, even to the point where membership of the EU itself came into question.

The UK needs Europe, and Europe needs the UK. The fortunes of British business are economic policy. They have not inextricably linked with the preservation and extension of the single market, which rests they are both tied to what look in turn on continued UK participation in the political structures public spending; and neither of the EU. More broadly, the UK's influence in the world is likely to be raised than cut. But increasingly a function of its membership of the EU. Disengagement is not an option any government could responsibly

Britain also has much to contribute, politically and economically. The coming years will determine whether the EU can reform its internal institutional Labour's policies towards the land economic structures in a micro side of the economy are way that will permit enlarge another matter. The windfall ment to the east and an open tax on the privatised utilities is and confident approach to the wrong, the minimum wage is world. The influence of the UK risky, signature of the European should be crucial in this social chapter is unnecessary. respect. And whether or not it chooses to engage in every aspect of European integration would rightly view the first the economic and political wellbeing of the country will be shaped to a significant extent

The Financial Times has no already had his hands tied in so party affiliations, and its readers make up their own minds about how they vote. Its opinions are shaped by a belief ably during the course of the in the market economy, free trade and the creation of an outing public mood of eurosceptic- ward-looking Europe. This has there is no serious internal chal- have been exceptions. 1997 is

ism. How it would behave in made it a natural supporter of office is an open question. But the Conservative party in elechere it has one clear advantage: tions over the years. But there

Dollars talk

This time, it seems, they really industries and threw many mean it. The finance ministers of the Group of Seven industrial nations agreed in Washington the dollar had gone quite far enough. They said it first at their meeting in Berlin on Februggy 7. This time, the words were perceptibly tougher. Since Berlin the dollar has risen a forther 2.4 per cent against a tradeweighted index of currencies and more important, by 8.2 per ent against the yen.

11,65

St. British

Send States

A.

It is not surprising that the markets yesterday greeted the something of a yawn. Official intervention on a big scale is a mere wisp of a threat. Interest rates show no sign of moving to favour a weaker dollar. There are other reasons for not becoming over-excited by its present evel, despite the rise since April 1995 of 20 per cent trade weighted and 53 per cent

against the yeu. That rise started as a correction, cheered on by the world's financial leaders, and has not yet returned the US currency to its value against the yen in Jan-uary 1993. So why has Mr Robert Rubin, the US Treasury Secretary, been expressing (cautious) concern? The reason is the increasing volume of imports to the US, particularly of Japanese manufactured

The latest figures on automobile imports, now running around 40 per cent above last Year's levels, have revived painful memories of the 1980s when Japanese imports caused deep

workers out of their jobs. But the dollar is now less than half its value against the this weekend that the rise in yen compared with the first half of 1985. More important, the US economy has become stronger, is running flat out at full employment and is benefiting from the mild counter-inflationary push of a strong dollar. On the other hand, the Japanese economy, still weighed down by an overhang of debt, is set to decelerate this year as a result of recent increases in taxes.

Although a recurring theme latest pronouncement with of US policy has been that something of a yawn. Official Japan should reduce its depennce on exports by stimulating the domestic economy, the Jananese government does not see interest rates are as lew as they could be, and a government deficit of 7 per cent of GDP gives little room for fiscal loosening. Nevertheless there are dangers of a further rise in the US currency, which may be as much political as economic. The ugly cries of protectionism and xenophobia have been muted during the US recovery, but ris-

For this reason, as well as a desire to protect the interna-tional value of domestic assets, Japan also has an interest in restraining the dollar's rise. However, the markets confidently expect US interest rates to rise relative to those in Japan. So, whatever the G7 may hope for the question remains: unds to uncompetitive US is anyone listening out there?

dollar and a reversal of the

recent employment trends could

Targeted by Washington

US pressure to join an anti-missile project has put the Japanese government in a difficult position, says Gwen Robinson

after the end of the second world war Japan relied for its defence needs on the of the US nuclear umbrella. Under its constitution - often described as pacifist - the country has stayed out of international alliances and its armed forces have developed along purely defensive lines.

But in 1993, Japanese complacency was shattered when a North Korean missile plopped into the Sea of Japan, just off the country's west coast. Tokyo learnt of the test firing only when Washington passed on the news - a blunt reminder of the country's security inadequacies.

In recent weeks, fears have been rekindled by reports that North Korea has deployed Rodong-1 missiles, capable of reaching most parts of Japan. Statements by Mr Hwang Jang Yop, the high-ranking North Korean defector, that Pyongyang is "capable of scorching" Japan as well as South Korea with nuclear and chemical weapons have emphasised the country's vulner

ability. These events have given added impetus to the talks between Tokyo and Washington over US proposals for the joint development of a sophisticated antiballistic missile system known as the Theatre Missile Defence project. Mr Ryutaro Hashimoto, Japan's prime minister, has promised a decision later this year - aware of growing American pressure on Japan to shoulder more of the Asian regional defence burden.

But in Japan, the proposal to join the project has put the government in a difficult position. Participation would place unwelcome strain on the defence budget, alarm neighbours and almost certainly force the country to revise its constitution.

As a Japanese official puts it: "We don't want to say yes and we don't want to say no; but it's hard to see how there can be a soft landing for this issue." On paper, Japan's military

strength looks impressive - it ranks among the world's four largest military spenders. It has ample shiny, new equipment including state-of-the-art airborne warning and control systems (Awacs), sophisticated military ectrono equipped with Patriot antimissile systems.

But in modern warfare terms, the Japanese military – called the "Self-Defence Forces" - is rather like a warrior samurai swinging a very blunt sword. Not only is it without a nuclear deterrent, it has no deen-water navv and only limited ability to reach potential enemies.

Defence spending for the current year has risen by just under 2 per cent to Y4,940bn (£24bn) with almost half going on personnel-related costs and around 12 per cent on maintaining US forces in Japan, less than a fifth is spent on defence equipment. Washington has been pushing

Japan to participate in the Theadecline of the industry. tre Missile Defence project since 1993, arguing Japan has been able to establish itself as an economic power while sheltering under US protection. The project aims to develop a system capable of protecting limited areas, or "theatres", from tactical missiles with a range of about 3,000km.

entry to a lavish reception

Helant Kohle feelings for langue Chrangess ever warnes. Goods also beautifu

noted by Ankl in honour of the

TMD systems use spy satellites to detect hostile missile launches and relay signals to advanced land or sea-based anti-missile systems which intercept and destroy the missiles. However. the Japanese have in the past been sceptical about such systems: the precision required to hit and destroy incoming missiles is greater than "shooting down a bullet fired from a pistol", according to one defence

A similar anti-missile defence programme to develop a "Theatre High-Altitude Area Defence" system for the US army has failed all four trials - the latest on March 8 - missing targets by a

Recently, however, Japanese interest in TMD co-operation has discreetly revived. In the financial year which ended in March, the government allocated Y440m for preliminary research on the project, and requested leading defence contractors to study ways they could contribute.

Executives at one leading Japanese defence contractor, which has been studying missile production since the early days of President Ronald Reagan's Strategic Defence Initiative, say the industry is already gearing up for participation. Defence companies see the TMD project as an opportunity to move into international markets and reverse the steady

The industry grew strong on government contracts in the 1970s and 1980s, at one point capturing 70 per cent of the country's total military procurement budget. Contractors eagerly ploughed money into R&D, co-operated fully with each

tions of military engineers. This fostered a peculiarly Japanese brand of "techno-nationalism", according to Professor Richard Samuels, a specialist on Japanese defence at the Massachusetts Institute of Technology.

"Defence technology was valued for its ability to elevate the capacities of the economy as well as to produce military hardware; defence production became firmly embedded in the institutions of the commercial economy," he says.

owever, spending cuts on frontline equipment combined with greater competition nese companies with a declining

The 20 biggest contractors, led by Mitsubishi Heavy Industries, are shifting increasingly to civilian commercial production. They are also demanding a lifting of the ban on weapons exports introduced in the 1970s after a scandal over sales abroad, And . they have recently established an industry forum with leading US defence contractors.

"This happened only because both governments asked the private sector to promote relations," says a defence industry spokesman with Keidanren, the leading business organisation. "The Japanese government clearly feels it's time to start a dialogue.". However, there are constitu-

tional and political obstacles to "pacifist" constitution, which of participation in the project.

tive defence arrangements. Supporters of the project say that may be a good thing and would move Japan toward becoming "a normal country", a term coined by Mr Ichiro Ozawa, would draw fierce opposition from Japan's powerful pacifist lobby, endangering the survival of any government.

Scud B:

Rodong 182;

1,000km

Under development: Taepo Dong 1: 2,000 Km

Pointing the way: the US wants

Japan to in a defence project

Worse, it would almost certainly provoke neighbouring military powers - notably China and North Korea - to develop their offensive capabilities further. China implied such threats in complaints last year to the to change. Partly in preparation, United Nations about Japan's Japan's defence forces have been missile defence deliberations.

from foreign suppliers – particu- For Tokyo's financial manda- logically more: larly in the US – have left Japa- rins, a primary concern is the tary structure. cost of the project. Japanese contractors and officials estimate it could be as much as \$150bn - and that Japan would be expected to bear at least half the costs.

basic capability could be develearly calculations have shown that developing an efficient system would cost at least \$40bn.

However, the limited history of collaboration between the US and Japan on defence projects is not encouraging. The only example is the joint development of the F-2, known until recently as the FSX fighter jet, which ran way over schedule and has been dogged by disputes over budgets and exchange of defence technologies. Privately, defence officials and Japanese participation in the industry executives say that TMD project. Fall involvement. Japan, reliant as it is on the US would probably require a com- nuclear umbrells, will have no plete overhaul of the country's choice but to agree to some form

under a current review of US-Japan security co-operation, due for completion in September.

"New infrastructure is necesthe main opposition leader. But it sary because Japan's defence systems must be undated, now we know how big the missile threat is," says another defence industry executive. "But we never looked at it because the US was always responsible and Japan needed to keep only a minimum defence capability.

Tokyo is keenly aware that its insular defence policy will have moving toward a leaner, technologically more sout

The transition, however, has brought new realisation, according to Barbara Wanner, a politihat Japan would be expected to cal analyst with the Washington-bear at least half the costs.

But the Pentagon claims a Joint projects with the US on weapons systems may be the oped for as little as \$4.5hn. And only way for Japan to afford military innovations while preserving domestic defence technological capability.

Government officials suggest the most likely outcome of the negotiations over the TMD project is Japan's initial agreement to partial participation - with a view to stepping up involvement gradually. This would have sev-eral advantages for Japan: the Americans would be mollified, if not happy; there would be little domestic fuse; Japanese industry would gain access to the project; and expenditure - at least at early stages - would not be sig-

nificantly large.
A little bit of yes and a little bit of no: in the eyes of many, an

Ginancial Times

Trade in Medica British trade in Medica British trade in Medica are told in a Consider report on the tradead VerigiCruz, suffers from the variety of too much econders in the employment of agains and travellers, sail too little

regard being paid to the

question of nationality, for our Consul points out that

commercial coepetation the question has a prelifer influence than is generally

acknowledged. It appears that British merchants are in the habit of placing their interests in the bands of foreigners to save the expense of educating

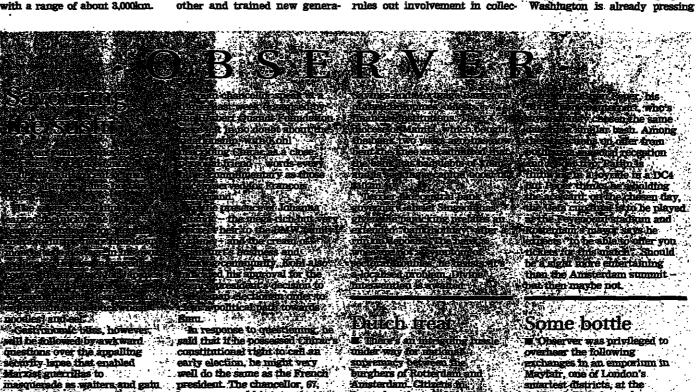
there is no doubt that in

travellers of their own

nationality. Trade secrets

may thus be disclosed to

competitors in other



campaign again next year, when the German general election is fixed for October fast three months before the single currency is supposed to be lanenese emperor's hirthday Bwenyo, he's keem to return to Perpes, Apan's mahessallor. People of my generation are worksholics. I want to go has as som as possible." That sibe Cardinal error

The Lord cannot always provide when the Catholic Church ges mised up with tends which realing to the latter which is the case the storie de Pletad.

has announced his intention to

Ething I. H. Gens

There's an integrible busile
under way for nationals
survenney between the
survenney between the
survenney between the
survenney between the
survenney between the
survenney between the
stratedam. Citizens in
stratedam. Citizens in
stratedam. Citizens in
stratedam. Citizens in
stratedam. Citizens in
stratedam. Citizens in
stratedam. Citizens in
stratedam. Citizens in
stratedam. Citizens in
stratedam. Citizens in
stratedam. Apartment in
stratedam. Apartment in
stratedam. Apartment in
stratedam. Citizens in
stratedam. Citizens in
stratedam. Citizens in
stratedam. Citizens in
stratedam. Citizens in
stratedam. Citizens in
stratedam. Citizens in
stratedam. Citizens in
stratedam. Citizens in
stratedam. Citizens in
stratedam. Citizens in
stratedam. Citizens in
stratedam. Citizens in
stratedam. Citizens in
stratedam. Citizens in
stratedam. Citizens in
stratedam. Citizens in
stratedam. Citizens in
stratedam. Citizens in
stratedam. Citizens in
stratedam. Citizens in
stratedam. Citizens in
stratedam. Citizens in
stratedam. Citizens in
stratedam. Citizens in
stratedam. Citizens in
stratedam. Citizens in
stratedam. Citizens in
stratedam. Citizens in
stratedam. Citizens in
stratedam. Citizens in
stratedam. Citizens in
stratedam. Citizens in
stratedam. Citizens in
stratedam. Citizens in
stratedam. Citizens in
stratedam. Citizens in
stratedam. Citizens in
stratedam. Citizens in
stratedam. Citizens in
stratedam. Citizens in
stratedam. Citizens in
stratedam. Citizens in
stratedam. Citizens in
stratedam. Citizens in
stratedam. Citizens in
stratedam. Citizens in
stratedam. Citizens in
stratedam. Citizens in
stratedam. Citizens in
stratedam. Citizens in
stratedam. Citizens in
stratedam. Citizens in
stratedam. Citizens in
stratedam. Citizens in
stratedam. Citizens in
stratedam. Citizens in
stratedam. Citizens in
stratedam. Citizens in
stratedam. Citizens in
stratedam. Citizens in
stratedam. Citizens in
stratedam. Citizens in
stratedam. Citizens in
stratedam. Citizens in
stratedam. Citizens in
stratedam. Citizens in

Observer was privileged to overhear the following exchanges in an emporium in smartest districts, at the weekend Well-dressed customer tolcharming assistant: "Do you know anything about wine?" Told that she did not, the customer suggested: "Send me meone who does." The southern port also deems from an indemning soing of the policity surrounding the capital anyone. At which point the existence a magnine at anyone anyone anyone anyone anyone at more policity surrounding the capital anyone. At which point the existence a magnine at anyone anyone at anyone

50 years ago Swedish Trade With Japan Stockholm, 28th April. Many

Swedish companies are interested in resuming trade with Japan, and official contacts have been opened with the United States occupation authorities in Tokyo, it is expected that nistives will be among representatives will be and the 400 businessmen to be

AND REPORT OF THE PROPERTY OF THE PARTY OF T